

Howard Arnold Craig to be major, Air Corps (temporary major, Air Corps).

Barney Leland Meeden to be major, Quartermaster Corps.

David Robert Stinson to be major, Air Corps (temporary major, Air Corps).

Joseph Theodore Morris to be major, Air Corps (temporary major, Air Corps).

George Wald to be major, Quartermaster Corps.

Don Elwood Lowry to be major, Quartermaster Corps.

PROMOTIONS IN THE NAVY

To be rear admiral

Ferdinand L. Reichmuth

To be captains

Lyell St. L. Pamperin

Robert A. Hall

Wells E. Goodhue

Otto M. Forster

To be commanders

William N. Updegraff

Lewis R. McDowell

Homer F. McGee

Calvin M. Bolster

Charles Allen

William H. Galbraith

Grayson B. Carter

Alexander J. Couble

Samuel B. Ogden

Warner W. Angerer

Frank E. Vensel, Jr.

Harold C. Fitz

Harry F. Newton

Royal W. Abbott

Karl Schmidt

Richard R. Hartung

Joseph W. McColl, Jr.

Jennings B. Dow

Floyd J. Nuber

John E. Gingrich

Jackson R. Tate

Cato D. Glover, Jr.

To be lieutenant commanders

Charles S. Weeks

Willis H. Pickton

Douglas E. Smith

To be lieutenants

Paul H. Grouleff

Porter Lewis

Richard V. Gregory

Selden C. Small

To be paymaster

William R. Calvert

To be pay inspectors

Daniel M. Miller

Charles H. Gillilan

William C. Colbert

James M. McComb

Leon I. Smith

Hunter J. Norton

James E. Hunt

Everett W. Brown

To be assistant paymasters

Henry L. Beardsley

Newell F. Varney

John Burkhardt, Jr.

John C. Burrill

Strong Boozer

Wilton G. Bourland

Irwin T. Brooks

Andrew W. Prout, Jr.

Harry J. P. Foley, Jr.

Edward J. Bryant

William J. Salmon

William P. Watts

Sheldon C. St. John

Eugene R. Blandin

To be chief boatswain

Troy Brashear

To be chief machinist

Lynn W. Childs

To be chief pharmacist

Albert M. Gullledge

MARINE CORPS

To be colonels

Raphael Griffin

David L. S. Brewster

To be majors

Herbert P. Becker

Charles L. Fike

William C. Purple

Harold D. Harris

To be captains

John W. Sapp, Jr.

Floyd B. Parks

POSTMASTERS

ARKANSAS

Roy M. Craig, Newark.

SOUTH DAKOTA

Clyde E. Cunningham, Estelline.

Ralph V. Millstead, Philip.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 16, 1940

The House met at 11 o'clock a. m. and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou, who hast brought us to the light of this new day, we thank Thee for the innumerable blessings wherewith Thou dost crown our lives. Help us to be grateful not only for the joys that cheer us, but also the trials and tribulations that teach us to put our trust in Thee.

When we think of the revelation which Thou has made of Thyself, we know that man has not been created for failure, but for victory. Deliver us from that debasing cynicism which would have us believe that the human heart is so desperately wicked that wars and strife are inevitable and necessary. May we not break faith with our better self and allow our vision of the kingdom of righteousness and truth to become eclipsed by despair.

Grant that Thy blessing of wisdom may rest in an abundant measure upon our President, our Speaker, and all Thy servants whom Thou hast called to positions of leadership during these difficult and perilous days. Fill us with a high and holy aspiration to know and do Thy will more perfectly. May we hold our own wishes in suspense until Thou dost declare that will unto us. May peace and prosperity be the glorious possession of men everywhere.

Humbly and confidently we would continue to pray and labor for the coming of the Kingdom of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9109. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. OVERTON, Mr. GLASS, Mr. THOMAS of Oklahoma, Mr. CHAVEZ, Mr. KING, Mr. NYE, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1036) entitled "An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota."

JOINT MEETING OF THE TWO HOUSES OF CONGRESS

Mr. RAYBURN. Mr. Speaker, I offer a privileged resolution which I send to the Clerk's desk.

The Clerk read as follows:

House Concurrent Resolution 67

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Thursday, the 16th day of May 1940 at 1 o'clock p. m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The resolution was agreed to.

And a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech by William R. Castle.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the National Negro Congress.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. ALLEN]?

There was no objection.

NATIONAL SPENDING DEMANDS INCREASE IN TAXES

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

Mr. RICH. Mr. Speaker, our national debt has increased since July 1 last year to the extent of \$3,343,000,000. We talk about additional expenditures. I say to the House of Representatives in all sincerity that if we want to make greater expenditures we ought to expect greater taxation. For national safety we must have financial security. The people of this country must realize that in order to maintain a stable government we must have a government that is solid financially, a government in fact that is solid in every respect, with the ability to take care of itself in case of an aggression, a government that is powerful enough to maintain our constitutional form of government, must have security of all kinds. It is the duty of the Ways and Means Committee to try to see what can be done at once in order that we may increase taxation in order to meet the great expenditures that we are making at the present time. We will be close to four billions in the red by June 30. Our appropriations for 1941 are now about four billion more than we will receive in 1941. With a national debt now above the statutory limit of \$45,000,000,000, and I am reliably informed that the President will be in the Chamber at 1 o'clock asking for a billion more for national defense. That is another reason why we should have more money, and the only way to get it is by a tax bill at once. We are now and have been flirting with disaster in our spending spree. Nothing can or will prevent disaster unless we cut out waste, extravagance, and at once start on a relief and war-tax bill. I do not personally want a tax bill, but it is absolutely essential. It is necessary if we continue to run in debt as we have the past 8 years. What will the Congress do? Do your duty or wreck the Nation. Our liberty depends on it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial appearing in the Washington Daily News of Wednesday, May 15.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Binghamton Press.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. HALL]?

There was no objection.

Mr. WILLIAMS of Delaware. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial entitled "American Defense" appearing in the Journal-Every Evening, of Wilmington, Del.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. WILLIAMS]?

There was no objection.

Mr. GEHRMANN asked and was given permission to extend his own remarks in the RECORD.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD relative to the fisheries

of Alaska, and to include therein excerpts from various reports, letters, and decisions.

The SPEAKER. Is there objection to the request of the Delegate from Alaska [Mr. DIMOND]?

There was no objection.

APPROPRIATIONS FOR WORK RELIEF AND RELIEF—1941

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 544, making appropriations for work relief and relief, for the fiscal year ending June 30, 1941; and pending that motion, I would like to reach an understanding with the gentleman from New York with reference to division of time. Would it be agreeable to the gentleman if we would alternate the time for today, each side taking approximately half of the time?

Mr. TABER. I think that is satisfactory. I may say, Mr. Speaker, that the probabilities are we will lose 2 hours of debate that we had planned on for today. I do not know whether we shall be able to complete the debate tomorrow night, but we can reach that as we come to it.

Mr. CANNON of Missouri. I submit no request, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 544, with Mr. LANHAM in the chair.

The Clerk read the title of the joint resolution.

The first reading of the joint resolution was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, in reporting this bill the Committee on Appropriations submits the last of the regularly scheduled appropriation bills providing for the coming fiscal year. It deals with a problem of comparatively recent origin, but it is nonetheless momentous on that account. This administration came into power at the depth of the depression. It faced a condition unparalleled in modern times. Unemployment was variously estimated at from 12,000,000 to 18,000,000 and was rapidly rising. Millions of families were in dire need of food and shelter. The mayors of practically every major city in America were in Washington importuning the Government either for food or for troops. It was necessary to act promptly and effectively. The pending bill is in continuance of the program with which we met that situation, a program which has reflected credit on both the administration and the Congress.

Mr. Chairman, the real test of democratic government comes in time of peace rather than war. The perpetuity of our form of government rests on honest and efficient civil administration. This measure and the measures which have preceded it meet that test in every respect.

The bill this year differs from the relief bills of previous years in minor details only. Heretofore we have included provision for the National Youth Administration and for the National Resources Planning Board, which we eliminated this year because they are provided for in regular appropriation bills. The bill this year as presented to you this morning is stripped down to three things—work relief and relief, rural rehabilitation, and administrative provisions incidental to carrying out the two programs.

Probably the most important feature of the bill this year and the feature on which there is reason to expect the widest divergence of opinion is the amount provided for W. P. A. During the current year we are expending in round numbers a billion and a half dollars for work relief and relief. When the President prepared his regular Budget which he sent here in January, conditions were promising, industry was on the upgrade, private industry was rapidly absorbing unemployment, and there was every reason to believe that this year the problem would not be so formidable, unemployment would decline, the demands for relief would not be so insistent, and it would not be necessary to provide so large an appropriation.

With that in view, the President recommended to us in the Budget message in January that next year, the fiscal year 1941, instead of spending \$1,500,000,000 for W. P. A., as we are spending this year, we appropriate only \$975,000,000. It was his belief, and apparently a well-founded belief at that time, that we could expect a decrease in the burden of unemployment by one-third. In that January message, however, the President said:

If conditions fail to meet our hopes, additional funds may be necessary.

After the President fixed the figure of \$975,000,000 in December 1939, conditions changed rapidly. I doubt whether there has been a period in history, certainly not in recent times, in which conditions have changed from day to day with such rapidity to such a degree as they are changing now, and as they have continued to change since the President transmitted his message to the Congress last January.

The war abroad, instead of accelerating employment, as many at that time foresaw, has depressed unemployment. Every important market in the Eastern Hemisphere has either been closed to American commerce or has been curtailed drastically. There are no longer dependable outlets anywhere in the world for our industrial products, except in a limited field of war munitions, other than a few limited areas in South America. Even our foodstuffs have been thrown back on the domestic market. The markets for a vast amount of both industrial and agricultural products which we formerly exported to foreign nations have largely been closed, and as a result our factories have either closed or are operating on a shortened schedule, and unemployment since December has risen instead of declining.

As a result of this situation, a situation which no one could foresee, a condition which even those most thoroughly cognizant with world affairs could not foretell, it has been necessary to revise our work-relief program. So in April the President sent a letter to the Speaker in which he said that under the conditions we could hardly expect to get along with less relief in fiscal 1941 than we were using in fiscal 1940, and he therefore recommended that instead of his estimate of \$975,000,000 for W. P. A. for the fiscal year 1941 we permit the total amount of \$975,000,000 to be spent in 8 months if the President should find unemployment conditions required it, which would be at the rate of \$1,500,000,000 annually, the rate following this fiscal year.

There is a very persuasive reason for making the provision for 8 months rather than for a year at this time. Conditions are changing so rapidly that we hope, possibly against hope, that as they have declined unexpectedly in the last few months there may be occasion for their increasing at the same ratio in the next 8 months. At least, we will proceed on that assumption, and at the end of the 8 months, if we still need \$1,500,000,000 for the year, we can appropriate the remaining \$500,000,000. If we find the burden is not as heavy as anticipated, it will not be necessary to make any appropriation at all. And let me emphasize this feature of the program. If in the 8 months we do not find it necessary to spend this amount of money, it will not be used.

Here is the situation—and it is a pressing situation. Under our schedule this year of \$1,500,000,000 for the 12 months of 1941 we are employing, in round numbers, 2,000,000 men. We are taking care, in effect, of 2,000,000 families. If we curtail the program and drop to two-thirds of the present schedule we can employ during the fiscal year 1941, beginning July 1, an average for the year of only 1,330,000 men; in other words, the average for the fiscal year 1941 would be 700,000 workers less than for the present year, and would leave 700,000 families unprovided for.

Now, it would appeal to any reasonable man that so radical a transition, the throwing upon the market of such a vast number of additional unemployed men at this time, would be most disastrous. As a matter of fact, it is the testimony of all who appeared before the committee that it would be exceedingly unwise at this time to drastically reduce appropriations and decrease employment on W. P. A. by a yearly average of 700,000 men. So the committee, following the recommenda-

tion of the President, has adopted this policy, and the bill which we report today proposes to continue at the present level the amount provided for relieving unemployment. We are not asking for more money; we will spend no more next year than we are spending this year.

We merely recommend continuation of the present program as it is until we have opportunity to learn what is going to happen and what the needs of the future will be. At the end of this period of probation—at the end of the 8 months—we hope to find conditions much improved, but, whether we find need for less or more employment, we leave the question open. We cross the bridge when we come to it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?
Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. Does this bill authorize assistance to cooperative associations of farmers in building cold-storage plants?

Mr. CANNON of Missouri. The committee made no change in the bill which affects the matter in which the gentleman from Mississippi is interested. In the present law, under which we are now operating in 1940, there was a limitation on cost of construction of non-Federal buildings to \$52,000 from Federal funds. The committee this time decided, over the protest of the W. P. A., to further decrease the maximum cost of such buildings to \$50,000 and to extend the limitation to all construction projects of that character. If the gentleman's project is in excess of \$50,000, it would not be possible for W. P. A. to cooperate under this limitation. If it is under \$50,000 and otherwise eligible, it would come within the purview of the law.

Mr. RANKIN. Then a cooperative association of farmers that desired to build a cold-storage plant, provided it was less than \$50,000, could be assisted under this law by the W. P. A.?

Mr. CANNON of Missouri. Provided it was otherwise within the requirements.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?
Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. Under the operations of this bill, is it contemplated that any Federal building, such as post-office buildings, will be constructed?

Mr. CANNON of Missouri. No provision is made in the bill for that purpose.

Mr. O'CONNOR. Does not the gentleman think that would be a mighty good way to put people to work and produce something that will be of lasting benefit to the Government where these post-office buildings are needed?

Mr. CANNON of Missouri. That is a subject that is open to discussion, and we will be pleased to hear any suggestions the gentleman may care to make while the bill is under consideration.

Mr. O'CONNOR. Will the gentlemen see that I get some time to make some observations?

Mr. CANNON of Missouri. So far as I am concerned, I shall be pleased to have the House hear the gentleman. We listen to him always with pleasure and profit.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?
Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. On page 3 of the bill there is a provision which I got inserted in the measure several years ago which reads as follows:

Electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations.

I want to ask the gentleman this question. If one of these nonprofit associations found it had to have a building for its office or for its place of business, would that come under this bill?

Mr. CANNON of Missouri. If it were properly sponsored and met the W. P. A. requirements and was approved by the authorities, it could be built, provided it cost not to exceed \$50,000.

Mr. RANKIN. Then if a nonprofit power association properly sponsored a project to build a building for its home office or for its place of business, then in the opinion of the gentleman from Missouri it would come under the provisions of this bill?

Mr. CANNON of Missouri. If otherwise in conformity with the specifications laid down by P. W. A.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. STEFAN. Referring to these cold-storage plants which farmers want to construct cooperatively, if they met regular local requirements for local contributions, they could construct such a cold-storage plant, could they not?

Mr. CANNON of Missouri. Of course, the gentleman understands that there are always vastly more projects approved and qualified for approval than there are funds to finance.

Mr. STEFAN. But there is a possibility of doing that?

Mr. CANNON of Missouri. It depends upon the local State office as to which of the available projects they select.

Mr. STEFAN. Considerable leeway is given to the Administrator, depending upon the relief roll of the unemployed?

Mr. CANNON of Missouri. Where they conform in all respects and are properly sponsored.

Mr. STEFAN. The gentleman is kind in yielding to me on that point. I am interested because a number of our farmers are interested in these cold-storage cooperatives. Has the gentleman reached the point of the Rabaut amendment where we have given some assistance to those heads of families of 45 years or over?

Mr. CANNON of Missouri. I am very glad to have the gentleman call attention to the amendment added in the committee by the gentleman from Michigan [Mr. RABAUT]. It was one of the two amendments added after the bill was reported by the subcommittee.

Mr. STEFAN. Will the gentleman yield to me a little further to make an observation?

Mr. CANNON of Missouri. Certainly.

Mr. STEFAN. In my district, where we have had consecutive drops, they are laying off people from the farms, who are coming into town and into counties where the county treasury has been practically depleted. I believe that particular item should be retroactive to the present time. If the Administrator could have the authority to allow these heads of families to go to work now, it would relieve a situation very tense in that particular section.

Mr. CANNON of Missouri. Answering the gentleman, there is a provision in the current law under which a W. P. A. worker, having been on the rolls continuously for 18 months, at the end of that time must be dropped, but after 30 days could be recertified if still in need. Of course, the W. P. A. has never proposed to take care of all needy cases. That would be practically impossible.

The 18 months' provision was adopted for the purpose of establishing a rotation, so that those who were fortunate enough to get on the rolls at the beginning, would not monopolize the privilege and that at the end of 18 months they would step aside and permit someone else just as needy and just as deserving to share in the privilege they had enjoyed during the previous 18 months. There are certain exemptions to that requirement, for example, needy veterans, and we have added to those exemptions in the bill that we now submit to the House by providing for the class to which the gentleman from Nebraska referred, on an amendment introduced by the gentleman from Michigan [Mr. RABAUT], under which those over 45 years of age, the heads of families, receive preference.

Mr. STEFAN. Just a moment, if the gentleman will permit. Could that be made retroactive immediately, so that Mr. Harrington could put that into operation immediately, to relieve a serious tension?

Mr. CANNON of Missouri. This bill becomes effective at the beginning of the fiscal year, July 1.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. MASSINGALE. The gentleman has stated that this money to be appropriated for W. P. A. purposes shall be used for 8 months, beginning July 1. Is that going to be based on the number of men on the rolls on July 1, or the number of men on the rolls now?

Mr. CANNON of Missouri. We hope to continue in effect the present program in every respect. There will be no deviation from the routine when we pass from the present fiscal year into the next.

Mr. MASSINGALE. Is that going to be based upon the number of men who will be on the rolls on July 1, which, as we understand, will be considerably below the number now, or will it be the number on the rolls at this time?

Mr. CANNON of Missouri. The number is adjustable. The bill provides a definite, fixed schedule under which June carries the lightest load of the year, as there is least need for work relief during that month. Then as we pass on down through the winter months and the need for assistance becomes more acute, we provide for an additional load from month to month in keeping with the seasonal requirements.

Mr. MASSINGALE. The newspapers report that there have been cuts ordered, to take effect at different periods. One is that by July 1 there has got to be so many thousands additional men laid off. When you come to base your expenditures, are you going to base them on the roll after these additional men are laid off?

Mr. CANNON of Missouri. Those statements have been made upon the premise that following the original Budget estimate for a 12-month period the average number of men for the fiscal year 1941 would have to be reduced by an average of approximately 700,000 under the average number for the fiscal year 1940, but in view of the report of the committee it will be unnecessary to readjust the program, and no necessity for reducing the number on W. P. A. than would otherwise take place in the regular way of adjustment of the W. P. A. employment program according to monthly requirements.

Mr. MASSINGALE. Would the gentleman answer one more question?

Mr. CANNON of Missouri. I would be glad to yield to the gentleman from Oklahoma.

Mr. MASSINGALE. Is the committee satisfied with the roll as it is today? In other words, is the committee satisfied that there is no danger of any man going hungry in America if we continue to only furnish employment to those who are now on the rolls?

Mr. CANNON of Missouri. Of course, as has been said, W. P. A. has never proposed to employ every needy unemployed man. It has never proposed to provide relief for every needy family, but as far as the amount provided will take care of both unemployment and need, it is the expectation of the committee that no appreciable change will accompany the transition from 1940 into 1941.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I am glad to yield to my colleague from Missouri.

Mr. NELSON. On page 3, lines 23 and 24, we read, "Soil conservation, including projects sponsored by soil conservation districts and other bodies." Is that held to include the manufacture and distribution of agricultural lime, provided the proper agency is set up in the State?

In many counties we have soil-conservation organizations made up of farmers who want to use agricultural lime, largely for demonstration purposes. The sale of this lime will not interfere materially with the manufacture and sale of commercial lime, because, as a demonstration project, it will result in the use of more rather than less lime. Where farmers are banded together for this purpose, where they have the proper organization, may W. P. A. work be used to manufacture and make possible for distribution to the farmers in the association such lime?

Mr. CANNON of Missouri. Yes. During the current year that has worked very satisfactorily. It has provided employment, and it has improved soil conditions and is generally beneficial. If it comes within the requirements of the W. P. A.

there is no reason why it should not be continued during the coming year as during the present year.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. CELLER. We have in New York thousands of men skilled in the building trades who are out of work. I notice section 11 limits to \$50,000 the amount that can be expended for structures, like buildings, bridges, viaducts, stadiums, underpasses, and so forth. We will be sorely put to it, particularly in New York City, with those thousands of men in the building trades who would be relegated, if section 11 prevails, to leaf raking or the pruning of trees and that type of work, which would destroy their morale. Does the gentleman think it is fair to us in New York City particularly to limit these structures to \$50,000?

Mr. CANNON of Missouri. Representatives of contractors' organizations appeared before the committee urging discontinuance of W. P. A. projects in the heavy construction industry, on the ground that W. P. A. would thereby throw out of employment the men they employed in the skilled building trades. Largely from that point of view the committee wrote this limitation into the bill.

Mr. CELLER. Did the committee consider any representations made by labor unions, the C. I. O. or the A. F. of L., in that regard? As far as I am concerned, I know that these very contractors who lobbied for this limitation have been greatly benefited heretofore by W. P. A. contracts and the building of these various structures mentioned in section 11. It is almost inconceivable that they would come in here now and ask for this limitation, which would hurt them very much, I am quite sure, and would be a terrible blow to labor in our community, because those men will be driven to this inconsequential work. It is highly unfortunate, and I do hope there can be some reconsideration given to it.

Mr. CANNON of Missouri. Doubtless that point will be debated during the consideration of the bill. Corroborating the gentleman's position, the evidence before our committee was that contractors perform much of the work with machinery which takes the place of many laboring men, to that extent reducing the number of employed that will be absorbed in the building industry as far as W. P. A. can carry it along.

Mr. CELLER. I know that the mayor of our city, who is recognized as one who is fair in this regard, is very much disturbed. All of our public officials are very keenly aware of the shortcomings that this section 11 will bring, particularly with reference to this limitation. We are very much disturbed and worried about it in New York.

Mr. CANNON of Missouri. The bill will be open to amendment beginning next Tuesday, and any germane amendment which anyone may desire to offer will be in order.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Did I understand the gentleman to say in answer to the inquiry of the gentleman from Mississippi that farmer cooperatives were eligible for W. P. A. assistance in the construction of \$50,000 projects? They have heretofore been declared to be ineligible.

Mr. CANNON of Missouri. Any sponsor who complies with the requirements laid down by W. P. A. and who comes within the purview of the bill as written would be entitled to consideration. As to whether his project would be approved, and as to whether money would be available after it was approved, would depend on the local State administration.

Mr. COFFEE of Nebraska. I understand that heretofore they have been considered ineligible, and I was wondering whether or not some change had been made in the bill in that respect.

Mr. CANNON of Missouri. No change has been made in the bill in that respect. It now occurs to me that the case which the gentleman cites would not be a public project.

As the gentleman understands, we cannot engage in private projects.

Mr. COFFEE of Nebraska. Consequently it would not be eligible.

Mr. CANNON of Missouri. It would not come within the requirements.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Mississippi.

Mr. RANKIN. Unless these buildings do come within the purview of this bill we want to offer an amendment. To get down to a specific case, let us assume that a cooperative power association covering a county, but having no place of business, no office, wants to build one—they put up the sponsor's fund to build such a building: Would that building come within the provisions of this bill?

Mr. CANNON of Missouri. Any amendment is admissible, if germane.

Mr. RANKIN. I am not talking about an amendment; I am asking whether or not such a building project would fall within the provisions of the bill.

Mr. CANNON of Missouri. Would it be a public project or a private project?

Mr. RANKIN. It would be owned by this cooperative power association.

Mr. CANNON of Missouri. Apparently that would be a private project.

Mr. RANKIN. It would come under paragraph 3.

Mr. CANNON of Missouri. If a private project, it would not be eligible. If it were a public project, it would be in order. The gentleman could offer an amendment to the bill.

Mr. RANKIN. Would that amendment be germane?

Mr. CANNON of Missouri. The gentleman is a better parliamentarian than I am.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. JONES of Texas. As I understand, the bill carries a provision that in the case of relief in rural areas the recipients may be required to work. As a matter of fact, a good many of those who really need relief would prefer to work, and I understand the bill carries such a proposal that they may be required to perform work rather than to be granted a dole.

Mr. CANNON of Missouri. The whole purpose of the W. P. A. program, of course, is to get away from the dole and wherever possible to provide work and employment.

Mr. JONES of Texas. I have not had a chance to study the bill to see whether that change had been made. I assumed that it had, and I think it is a fine provision.

Mr. CANNON of Missouri. Where there are families in which there is no bread winner, direct relief will be afforded.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. HEALEY. Has the committee heard any evidence on the effect of the 18 month' clause and the results effected as a result of that clause?

Mr. CANNON of Missouri. We consider the provision salutary. The gentleman will note in reading the committee report that it sets out the percentage of those who were recertified, and the percentage of those who were reemployed. The evidence shows that in many cases the worker dropped from the rolls on that account was benefited in the end because absorbed by private industry.

Mr. HEALEY. But it was only a small percentage, about 13 percent, that went off of the rolls as a result of this action that showed they did not require this relief. Is not that correct?

Mr. CANNON of Missouri. That is true.

Mr. HEALEY. Only about 13 percent of all of them.

Mr. CANNON of Missouri. By extending the exemptions and by securing prompt recertification we believe the early hardships which the provision entailed have been greatly mollified.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. Right on that same point let me ask the gentleman first if I am correct that the committee has included an exemption for men 45 years of age and over who are the heads of families, an exemption from the 18 months' provision.

Mr. CANNON of Missouri. Yes; such an amendment was offered by the gentleman from Michigan [Mr. RABAUT] in the Committee and adopted.

Mr. VOORHIS of California. And it is included in the bill?

Mr. CANNON of Missouri. It is in the printed bill as a recommended committee amendment and must be voted on here.

Mr. VOORHIS of California. And if the gentleman will yield further regarding the 18 months' clause, did the committee consider a provision so that people engaged in recreational projects and adult education work under the W. P. A. where the work extends over the school year, that under those circumstances there might be some adjustment of the 18 months' rule so that people who were doing that work in a school system would not be laid off during the school year?

Mr. CANNON of Missouri. No provision was made for that.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. McLAUGHLIN. I should like to ask the gentleman a question concerning the amendment appearing on page 19, lines 17 to 19, inclusive. This is a committee amendment excepting heads of families 45 years of age or older with dependent spouse or one or more dependent parents or minor children. If a person coming within this classification has previously been laid off under the 18-months provision, does that person now have a preferential status for recertification and reemployment?

Mr. CANNON of Missouri. Not under the provisions of the bill, but, doubtless, the W. P. A. would take that into consideration along with other factors.

Mr. McLAUGHLIN. If no such preferential status is given, is it not possible that a very unusual and unfortunate situation may arise in which people in the same classification, and being heads of families, will find themselves in different classifications with respect to their ability to be certified and employed? In other words, a person who is now the head of a family and 45 years of age who comes within that classification will not be laid off under the 18-month provision.

Mr. CANNON of Missouri. That is true.

Mr. McLAUGHLIN. But one who has been laid off under that provision will find himself unable to be reemployed because of the fact he was laid off. Now, I am asking if there will be any preferential status given to people who have been laid off with respect to reemployment?

Mr. CANNON of Missouri. The amendment is not retroactive in that respect. Employment on W. P. A. is on the basis of relative need and according to certification. It might so happen that preference could go to these older heads of families.

Mr. McLAUGHLIN. That is the interpretation the committee had in mind?

Mr. CANNON of Missouri. Of course, the committee was not in a position to express an opinion on that.

Mr. McLAUGHLIN. But that was in the mind of the committee?

Mr. CANNON of Missouri. That would be a matter of administration.

Mr. BECKWORTH. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. BECKWORTH. I was interested in the question propounded by the gentleman from Mississippi [Mr. RANKIN] a while ago relative to R. E. A. cooperatives sponsoring the building of an administration building, for instance. Do I understand where a group of farmers constitute themselves an R. E. A. cooperative but who have no administration building and desire to sponsor a project to build an administration

building they may do that on any building costing less than \$50,000?

Mr. CANNON of Missouri. If they come within the provisions of the law and the requirements of the W. P. A., which would include it being a public project publicly owned and, second, the meeting of other qualifications; yes. If it is a private agency, why, of course, the provisions of this bill could not apply.

Mr. BECKWORTH. Where I am a little confused is right here. I know, according to that which has transpired, that they can build lines. That has been done. But there seems to be some confusion as to whether or not they can build an administration building, and I just wonder what is the difference?

Mr. CANNON of Missouri. They are building some of those lines under this appropriation and some under another appropriation.

Mr. BECKWORTH. They are?

Mr. CANNON of Missouri. Yes. We have just provided in the Department of Agriculture appropriation bill for the coming fiscal year a hundred million dollars for that purpose. They are building many lines with loans from that source.

Mr. BECKWORTH. We have the expression "electric transmission and distribution lines or systems." I am wondering if the word "systems" would include an administration building?

Mr. CANNON of Missouri. If publicly owned and properly sponsored.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Did I understand the gentleman to say to the gentleman from California that no amendment has been proposed by the committee to extend the time of teachers who might be laid off on account of the 18 months provision?

Mr. CANNON of Missouri. The bill makes no provision for such cases.

Mr. MURDOCK of Arizona. I find most of my criticism of that 18-month provision is with regard to teachers in the very class that the gentleman from California mentioned. I hope the committee will favorably consider such an amendment when it is offered a little bit later.

Mr. CANNON of Missouri. The fact that such an amendment was sponsored by the gentleman would make it persuasive.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. Do I understand that under the terms of this bill it will be possible, if the President so decides, to spend this money in such a way that it would be spent on the basis of average annual employment, the same as has been provided this year?

Mr. CANNON of Missouri. That is true, on the same basis.

Mr. VOORHIS of California. I notice in here a provision that says that if a man gets private employment, then loses it through no fault of his own, he shall be eligible for reemployment by the W. P. A.

Mr. CANNON of Missouri. Yes. I consider that important.

Mr. VOORHIS of California. So do I.

Mr. CANNON of Missouri. Otherwise men would refuse to accept private employment.

Mr. VOORHIS of California. I think it is of great importance. There is a proviso in there which says "after he has received all of the unemployment compensation to which he may be entitled." Suppose a man gets a private job, holds it for only 2 months, then he is only entitled to a very small amount of unemployment compensation. He has to go through the waiting period before he gets it. It may be 3 or 4 months before he would be eligible for reemployment. Does not the gentleman feel that is rather severe?

Mr. CANNON of Missouri. The gentleman is referring to the provision in the pending bill?

Mr. VOORHIS of California. Yes.

Mr. CANNON of Missouri. I regret I cannot agree entirely with the gentleman's opinion.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. On page 3, line 21, we find flood control. I am wondering if W. P. A. help under the operations of this bill could be used on nonnavigable streams?

Mr. CANNON of Missouri. The provision is for flood control. No distinction is made between navigable and nonnavigable streams. A flood on a nonnavigable stream can do as much damage as a navigable stream. There is no distinction.

Mr. O'CONNOR. Following that up, could this sort of employment be used in connection with riprapping these streams and preventing them from cutting away and destroying some of the best land, which is being done daily by some of our rivers and streams throughout the country?

Mr. CANNON of Missouri. If properly supervised, and if otherwise within the requirements of the law and the qualifications laid down by the W. P. A.

Mr. O'CONNOR. How could such a movement be sponsored? What would be necessary?

Mr. CANNON of Missouri. States, municipalities, counties, or public entities of any character, could sponsor it providing it was on public land and was a publicly owned project.

Mr. O'CONNOR. May I make this observation—that whatever else may be said about the committee in reporting this bill, it is to be congratulated on adopting the suggestion of the President of the United States that this money be used, if necessary, within the first 8 months of the fiscal year.

Mr. CANNON of Missouri. The committee appreciates the gentleman's commendation.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. What provision has been made for Federal projects? Is there any change from the provision last year?

Mr. CANNON of Missouri. Last year \$60,000,000 was provided for Federal projects. This year \$20,000,000 is provided for that purpose, but you must take into consideration the fact that the appropriation in the bill is for a period of 8 months rather than 12 months. We were assured by the Administrator, Colonel Harrington, that the program for Federal projects during the coming year would not be curtailed, that he would carry along as much work during 1941 as has been done in 1940.

Mr. LEWIS of Colorado. Would such projects be under the charge of the respective Federal agencies or would they be under the W. P. A., and then the various Federal agencies would have to supervise the supervisors under W. P. A.?

Mr. CANNON of Missouri. They will be handled as heretofore.

Mr. EDELSTEIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. EDELSTEIN. In drafting the provision with relation to the 18-month period, does the committee believe or find as a fact that private industry can take on the men who will be dropped at the end of that period?

Mr. CANNON of Missouri. A certain percentage did not apply for recertification; therefore the only conclusion that is tenable is that they were absorbed by private industry, since otherwise they would at least have applied for recertification.

Mr. EDELSTEIN. The evidence is that in the city of New York, particularly in my district, all of those who came within the 18-month rule are now in want and are clamoring to get on relief, so it is evident that private industry has not taken up that load. Merely enforcing this rule and throwing these people on the labor market does not help the unemployment situation.

Mr. CANNON of Missouri. However, it does establish a system of rotation. We cannot take care of all who are entitled to employment. Those whom the gentleman mentions have had 18 months of employment, and they should appreciate that and be grateful for it. They should not expect to monopolize employment when others just as deserving, just as needy, and just as much entitled to consideration are being denied.

In other words, we are passing employment around. Inasmuch as we cannot take care of everybody, let us distribute it as generally as possible. For every man who goes off the W. P. A. because of the 18-month provision another man comes on who is just as needy and may be more needy and just as deserving as the man who went off. To alleviate any harshness which may be involved in enforcing the 18-month provision, we have extended exemptions to include all men over 45—heads of families with dependents.

Mr. EDELSTEIN. Does the gentleman believe we will solve the unemployment situation by enforcing the 18-month provision? Does the gentleman believe these men will get employment? I find that they cannot get employment, and you are creating more misery than existed before the fellow ever went on the job.

Mr. CANNON of Missouri. I take for granted that on that account the gentleman will support the position of the committee.

Confronted with a proposition which has strong support on this floor, that we should reduce the amount for the coming year by one-third, that we should provide one-third less money for 1941, employ one-third fewer men in 1941, and service one-third fewer families in 1941, this committee, following the recommendation of the President, is refusing to make that reduction and is continuing the present program, and we hope to provide for as many persons during this period as can possibly be done with the money.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. Will the gentleman tell us what the average number of people employed on W. P. A. was for the fiscal year 1939 and for the fiscal year 1940, and what it will be under this 8-month program?

Mr. CANNON of Missouri. Of course, the gentleman understands that in the beginning we made a lump-sum appropriation. W. P. A. was created in May 1935; by December 1935 we had employed 2,800,000 persons. With the funds available early in 1936 we increased the number to 3,000,000 persons. Beginning in the fiscal year 1940 conditions improved materially. Private employment was taking up the slack, and it was believed that we would be able to meet the situation with an employment of approximately 2,000,000 people. This is the program under which we are operating at this time, an average yearly employment. Of course, it varies seasonally, but the average is 2,000,000 persons for the year. We expect to continue that during the fiscal year 1941, if the House adopts the recommendation of the committee in this bill.

Mr. MARCANTONIO. So that the average cut from 1939 amounts to about 1,000,000. Is that correct?

Mr. CANNON of Missouri. Yes.

Mr. MARCANTONIO. What justifies a reduction when we find, even according to the President's message of this year, that the various indices of industrial production have been in a downward spin, and it seems to me we are basing these cuts on the hope and anticipation that war purchases are going to bolster up our economy so as to be able to employ the unemployed, but in doing that we are increasing the economic pressure which is going to lead us into war.

Mr. CANNON of Missouri. It must be emphasized that we have never attempted, and it has never been a part of the program, to find employment for every needy unemployed man. This would be impossible, but we have tried to provide sufficient employment to see that there would be no suffering. Now, we have carried out that program. The

program has worked admirably up to this time, a program on a scale unheard of in the history of any other nation. We have met the situation, we have continued the economic routine of the Nation and we trust that the increase which the committee recommends will be approved by the House.

I may say in further answer to the gentleman from New York [Mr. MARCANTONIO] that the average W. P. A. employment for the fiscal year 1939 was 3,013,000, and for the calendar year 1939 was 2,414,000.

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. CELLER. I want to state that I do not think we should let go unchallenged the statement made by the gentleman from New York [Mr. MARCANTONIO] with whom I often agree and sometimes disagree, but for whom I have an abiding affection nevertheless, that any money spent for preparedness will increase the economic pressure for war. Certainly, that should not stand in the way of our spending vast sums to prepare, and I think the RECORD should state that I, for one, want to spend all that we can possibly spend by way of preparedness, if it indirectly will give employment to countless thousands now out of work and directly will set up a warning to dictator nations.

Mr. MARCANTONIO. May I answer that? The gentleman apparently either was not listening or I was misunderstood—

Mr. CANNON of Missouri. I much regret that my time has now expired and I must close my remarks at this time. May I say in conclusion that the committee submits this program in the belief that it solves the problem, that it is satisfactory to the Nation, and we trust it will have the approval of the House. [Applause.]

Mr. TABER. Mr. Chairman, we are again confronted with a relief bill, so-called, brought in notwithstanding the fact that our committee has been in session practically continuously for 3 months with hearings of one kind or another with reference to this relief problem. It is brought in along the same old lines which have proven to be a failure.

Some people have said that this country should provide jobs for folks. Providing jobs that are not jobs or providing jobs where no efficiency is maintained, is worse than the dole. It is a dole and it is the worst kind of a dole. I am obliged to admit that notwithstanding the fact that this administration has been in power for 7 years and more, there is some need for relief. If it were an honest, legitimate, straightforward relief bill, I should support it, but I do not feel that it is a relief bill at all. It is a makeshift designed to continue for another year the distressing and disgraceful conditions that have characterized the W. P. A. and the rest of these activities ever since they were started. To that program I cannot subscribe. It is true that as a result of war activities certain industries show improvement in employment, but they do not show a sufficient increase to justify an avoidance of Federal relief for employment, entirely. We could not expect relief to be a thing of the past particularly in view of the action of the administration in hampering business, instead of opening it up and giving people a chance to have people go to work. The entire situation is most distressing, in more ways than one. It is distressing because of the type of consideration that we are giving to these relief problems.

I think it is fair that I should call attention at this time to some of the situations that have been presented and developed by the committee with reference to the W. P. A. I am going to call attention to some of the prima donnas of the W. P. A. and I shall start with the Deputy Administrator, Mr. Howard O. Hunter. Notwithstanding what I am going to tell you, and notwithstanding the attitude that Mr. Hunter displayed when he was before our committee, he is still on the pay roll. His record is something like this. On page 576 of the investigation hearings we find where over a course of Mr. Hunter's 5½ years with the W. P. A., he

charged illegally to the Government transportation in the amount of \$1,764.42, and that he was obliged to pay back. Mr. Hunter made some comments upon that which I shall read to you later. During the time from August 1, 1934, to January 31, 1941, Mr. Hunter was in a travel status 71½ percent of the time, and at headquarters 28 percent of the time. On page 581 of this same record it will be found that Mr. Hunter went to the Kentucky Derby in 1936 at Government expense. In 1937 he went to the Kentucky Derby and the Government paid his railroad fare and \$5 per diem. He is the No. 2 man on the W. P. A.

Mr. Chairman, there has been a great deal of disorder in the Chamber since I started to address the committee, and unless the gentleman in charge of the bill moves that the Committee do now rise, I shall do so myself. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and, on a division (demanded by Mr. CELLER) there were—ayes 77, noes 101.

Mr. DITTER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. TABER and Mr. CANNON of Missouri to act as tellers.

The Committee again divided; and the tellers reported—ayes 80, noes 97.

So the Committee refused to rise.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. TABER. Mr. Chairman, I have not yet yielded the floor, though I will be glad to yield to the gentleman from Missouri if he desires to move that the Committee rise.

Mr. CANNON of Missouri. Mr. Chairman, if the gentleman has nothing more to say, of interest to the Committee, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration House Joint Resolution 544, and had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 67. Concurrent resolution providing for a joint session of Congress for the purpose of receiving a message from the President.

RECESS

The SPEAKER. Without objection, the House will stand in recess, subject to the call of the Chair.

There was no objection.

Accordingly (at 12 o'clock and 43 minutes p. m.) the House stood in recess.

JOINT MEETING OF THE SENATE AND HOUSE

At 12 o'clock and 50 minutes p. m., the Assistant Doorkeeper, Mr. R. R. Roberts, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant-at-Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. On behalf of the House, the Chair appoints the gentleman from Texas [Mr. RAYBURN], the gentleman from North Carolina [Mr. DOUGHTON], and the gentleman from Massachusetts [Mr. MARTIN] as members of a committee on the part of the House to conduct the President into the Chamber.

The VICE PRESIDENT. The Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Nevada [Mr. PITTMAN], and the Senator from Oregon [Mr. McNARY] as a like committee on the part of the Senate.

At 12 o'clock and 59 minutes p. m., the Assistant Doorkeeper, Mr. R. R. Roberts, announced the Cabinet of the President of the United States.

The members of the Cabinet of the President entered the Chamber and took the seats reserved for them in front of the Speaker's rostrum.

At 1 o'clock p. m., the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk amid prolonged applause.

The SPEAKER. Senators and Representatives, I have the distinguished honor of presenting the President of the United States. [Applause.]

ADDRESS OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 751)

The PRESIDENT. Mr. Vice President, Mr. Speaker, Members of the Senate and House of Representatives, these are ominous days—days whose swift and shocking developments force every neutral nation to look to its defenses in the light of new factors. The brutal force of modern offensive war has been loosed in all its horror. New powers of destruction, incredibly swift and deadly, have been developed; and those who wield them are ruthless and daring. No old defense is so strong that it requires no further strengthening and no attack is so unlikely or impossible that it may be ignored.

Let us examine, without self-deception, the dangers which confront us. Let us measure our strength and our defense without self-delusion.

The clear fact is that the American people must recast their thinking about national protection.

Motorized armies can now sweep through enemy territories at the rate of 200 miles a day. Parachute troops are dropped from airplanes in large numbers behind enemy lines. Troops are landed from planes in open fields, on wide highways, and at local civil airports.

We have seen the treacherous use of the "fifth column" by which persons supposed to be peaceful visitors were actually a part of an enemy unit of occupation. Lightning attacks, capable of destroying airplane factories and munition works hundreds of miles behind the lines, are part of the new technique of modern war.

The element of surprise which has ever been an important tactic in warfare has become the more dangerous because of the amazing speed with which modern equipment can reach and attack the enemy's country.

Our own vital interests are widespread. More than ever the protection of the whole American Hemisphere against invasion or control or domination by non-American nations has the united support of the 21 American Republics, including the United States. More than ever this protection calls for ready-at-hand weapons capable of great mobility because of the potential speed of modern attack.

The Atlantic and Pacific Oceans were reasonably adequate defensive barriers when fleets under sail could move at an average speed of 5 miles an hour. Even then by a sudden foray it was possible for an opponent actually to burn our National Capitol. Later the oceans still gave strength to our defense when fleets and convoys propelled by steam could sail the oceans at 15 or 20 miles an hour.

But the new element—air navigation—steps up the speed of possible attack to 200, to 300, miles an hour.

Furthermore, it brings the new possibilities of the use of nearer bases from which an attack or attacks on the American Continents could be made. From the fiords of Greenland it is 4 hours by air to Newfoundland; 5 hours to Nova Scotia, New Brunswick, and Quebec; and only 6 hours to New England.

The Azores are only 2,000 miles from parts of our eastern seaboard, and if Bermuda fell into hostile hands it is a matter of less than 3 hours for modern bombers to reach our shores.

From a base in the outer West Indies the coast of Florida could be reached in 200 minutes.

The islands off the West Coast of Africa are only 1,500 miles from Brazil. Modern planes starting from the Cape Verde Islands can be over Brazil in 7 hours.

And Para, Brazil, is but 4 flying hours to Caracas, Venezuela; and Venezuela but 2½ hours to Cuba and the Canal Zone; and Cuba and the Canal Zone are 2¼ hours to Tampico, Mexico; and Tampico is 2¼ hours to St. Louis, Kansas City, and Omaha.

On the other side of the continent, Alaska, with a white population of only 30,000 people, is within 4 or 5 hours of flying distance to Vancouver, Seattle, Tacoma, and Portland. The islands of the southern Pacific are not too far removed from the west coast of South America to prevent them from becoming bases of enormous strategic advantage to attacking forces.

Surely the developments of the past few weeks have made it clear to all of our citizens that the possibility of attack on vital American zones ought to make it essential that we have the physical, the ready, ability to meet those attacks and to prevent them from reaching their objectives.

This means military implements—not on paper—which are ready and available to meet any lightning offensive against our American interest. It means also that facilities for production must be ready to turn out munitions and equipment at top speed.

We have had the lesson before us over and over again—nations that were not ready and were unable to get ready found themselves overrun by the enemy. So-called impregnable fortifications no longer exist. A defense which allows an enemy to consolidate his approach without hindrance will lose. A defense which makes no effective effort to destroy the lines of supplies and communications of the enemy will lose.

An effective defense, by its very nature, requires the equipment to attack an aggressor on his route before he can establish strong bases within the territory of American vital interests.

Loose talking and thinking on the part of some may give the false impression that our own Army and Navy are not first rate, or that money has been wasted on them.

Nothing could be further from the truth.

In recent years the defensive power of our Army, Navy, and Marine Corps has been very greatly improved.

The Navy is stronger today than at any time in the Nation's history. Today also a large program of new construction is well under way. Ship for ship, ours are equal to or better than the vessels of any foreign power.

The Army likewise is at its greatest peacetime strength. Its equipment in quality and quantity has been greatly increased and improved.

The National Guard and the Reserve strength of the two services are better equipped and better prepared than during any other peacetime period.

On the other side of the picture we must visualize the outstanding fact that since the 1st day of September 1939 every week that has passed has brought new lessons learned from actual combat on land and sea.

I cite examples. Where naval ships have operated without adequate protection by defending aircraft, their vulnerability to air attack has increased. All nations are hard at work studying the need of additional antiaircraft protection.

Several months ago the use of a new type of magnetic mine made many unthinking people believe that all surface ships were doomed. Within a few weeks a successful defensive device against these mines was placed in operation; and it is a fact that the sinkings of merchant ships by torpedo, by mine, or by airplane are definitely much lower than during the similar period in 1915.

Combat conditions have changed even more rapidly in the air. With the amazing progress in the design of planes and engines, the airplane of a year ago is out of date now. It is too slow, it is improperly protected, it is too weak in gun-power.

In types of planes we are not behind the other nations of the world. Many of the planes of the belligerent powers are at this moment not of the latest models. But one belligerent power not only has many more planes than all their opponents combined, but also appears to have a weekly production capacity at the moment that is far greater than that of their opponents.

From the point of view of our own defense, therefore, great additional production capacity is our principal air requisite.

For the permanent record, I ask the Congress not to take any action which would in any way hamper or delay the delivery of American-made planes to foreign nations which have ordered them, or seek to purchase more planes. That, from the point of view of our own national defense, would be extremely short-sighted.

During the past year American production capacity for war planes, including engines, has risen from approximately 6,000 planes a year to more than double that number, due in greater part to the placing of foreign orders.

Our immediate problem is to superimpose on this production capacity a greatly increased additional production capacity. I should like to see this Nation geared up to the ability to turn out at least 50,000 planes a year. Furthermore, I believe that this Nation should plan at this time a program that would provide us with 50,000 military and naval planes.

The ground forces of the Army require the immediate speeding up of last winter's program to procure equipment of all kinds, including motor transport and artillery, including antiaircraft guns and full ammunition supplies. It had been planned to spread these requirements over the next 3 or 4 years. We should fill them at once.

At this time I am asking the immediate appropriation by the Congress of a large sum of money for four primary purposes:

First, to procure the essential equipment of all kinds for a larger and thoroughly rounded-out Army;

Second, to replace or modernize all old Army and Navy equipment with the latest type of equipment;

Third, to increase production facilities for everything needed for the Army and Navy for national defense. We require the ability to turn out quickly infinitely greater supplies;

Fourth, to speed up to a 24-hour basis all existing Army and Navy contracts, and all new contracts to be awarded.

I ask for an immediate appropriation of \$896,000,000, and may I say I hope there will be speed in giving the appropriation. [Applause.] That sum I would divide approximately as follows:

1. For the Army.....	\$546,000,000
2. For the Navy and Marine Corps.....	250,000,000
3. To the President to provide for emergencies affecting the national security and defense.....	100,000,000

In addition to the above sum, I ask for authorizations for the Army, Navy, and Marine Corps to make contract obligations in the further sum of \$186,000,000.

And to the President an additional authorization to make contract obligations for \$100,000,000.

The total of authorizations is, therefore, \$286,000,000.

It is my belief that a large part of the requested appropriation of \$100,000,000, and the requested authorization of \$100,000,000 to the President will be used principally for the increase of production of airplanes, antiaircraft guns, and the training of additional personnel for these weapons. This would be in addition to the direct estimates for these purposes in the other items requested.

The proposed details of the appropriations and authorizations asked for will be given to the committees of the Congress.

These estimates do not, of course, duplicate any item now in the pending war and navy appropriation bills for the year 1941. Nor do they include supplemental or deficiency estimates which may become necessary by reason of pending legislation or shortage of funds under existing programs.

There are some who say that democracy cannot cope with the new techniques of government developed in recent years

by a few countries—by a few countries which deny the freedoms which we maintain are essential to our democratic way of life. This I reject.

I know that our trained officers and men know more about fighting and the weapons and equipment needed for fighting than any of us laymen; and I have confidence in them.

I know that to cope with present dangers we must be strong in heart and hand; strong in our faith—strong in faith in our way of living.

I, too, pray for peace—that the ways of aggression and force may be banished from the earth—but I am determined to face the fact realistically that this Nation requires a toughness of moral and physical fiber. Those qualities, I am convinced, the American people hold to a high degree.

Our task is plain. The road we must take is clearly indicated. Our defenses must be invulnerable, our security absolute. But our defense as it was yesterday, or even as it is today, does not provide security against potential developments and dangers of the future.

Defense cannot be static. Defense must grow and change from day to day. Defense must be dynamic and flexible, an expression of the vital forces of the Nation and of its resolute will to meet whatever challenge the future may hold. For these reasons, I need hardly assure you that after the adjournment of this session of the Congress I will not hesitate to call the Congress into special session if at any time the situation of the national defense requires it. The Congress and the Chief Executive constitute a team where the defense of the land is concerned.

Our ideal, our objective, is still peace—peace at home and peace abroad. Nevertheless, we stand ready not only to spend millions for defense but to give our service and even our lives for the maintenance of our American liberties.

Our security is not a matter of weapons alone. The arm that wields them must be strong, the eye that guides them clear, the will that directs them indomitable.

These are the characteristics of a free people, a people devoted to the institutions they themselves have built, a people willing to defend a way of life that is precious to them all, a people who put their faith in God. [Prolonged applause.]

Thereupon, at 1 o'clock and 30 minutes p. m., the President retired from the Hall of the House.

At 1 o'clock and 32 minutes p. m. the Speaker announced that the joint session was dissolved.

Thereupon the Vice President and the Members of the Senate returned to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1:36 p. m.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—NATIONAL DEFENSE

The SPEAKER. The message of the President is referred to the Committee of the Whole House on the state of the Union and ordered printed.

DEPARTMENT OF LABOR APPROPRIATION BILL, 1941

Mr. TARVER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1941, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER. The Chair appoints the following conferees on the part of the House: Messrs. TARVER, HOUSTON, SHEPPARD, HARE, ENGEL, and KEEFE.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record at this point and to include therein a letter or two from the Secretary of War.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER. Mr. Speaker, in my report submitted to Congress on the military appropriation bill for the fiscal year 1941, the following language appears:

The accuracy, range, and type of ammunition remain as the chief controversial issues, and it is the sense of the committee that these should have prompt and thorough investigation by the General Staff.

As the result of the above language, the General Staff got busy immediately and checked up as per the suggestion in the language; or, in other words, made a thorough investigation of the Garand automatic rifle, as to its accuracy, range, type of ammunition, and so forth.

The first letter I wish to insert is as follows:

APRIL 9, 1940.

HON. EDWARD T. TAYLOR,
Chairman, Appropriations Committee, House of Representatives.

MY DEAR MR. TAYLOR: The War Department has noted the comments of the Appropriations Committee on the semiautomatic rifle contained on page 21 of the report of the committee on the Military Establishment appropriation bill, fiscal year 1941.

It is desired to state at this time that prior to the adoption of the semiautomatic rifle a thorough study was made by the General Staff of the accuracy, range, type of ammunition, and all the other characteristics demanded of an efficient rifle for military use.

In addition to this study, a thorough test was made by the using arms under the most adverse conditions.

In adoption of the rifle, the opinions of the Infantry and Cavalry arms upon completion of the service tests were given the greatest weight.

The views of the chief of Infantry, the chief of Cavalry, and the commanding general, Second Division, at the present time are shown in the enclosed correspondence.

It is desired to call particular attention to that part of the report of the chief of Infantry which states that the ballistic accuracy of the semiautomatic rifle is the same as the 1903 rifle, and that its battlefield accuracy will be much greater; that the type of ammunition now adopted has no relation to the rifle in which it is used; and that the semiautomatic rifle has been favorably received throughout the service.

The range of the semiautomatic rifle is equal to that of the 1903 rifle. The range is dependent on the type of ammunition used. The M-2 ammunition has been adopted for machine guns as well as rifles, and as these weapons are employed in battle at relatively greater ranges than the rifles it is evident that the range is satisfactory.

As a confirmation of the opinion of the service at large, division and regimental commanders of all other Regular Army divisions have been asked to submit a prompt report on the subject of the Garand rifle, including a comparison of its combat efficiency with that of the 1903 Springfield. Practically all of the Infantry regiments have recently completed target practice with the new rifle. When these reports are received copies will be furnished the committee for its information, together with pertinent conclusions of the General Staff.

With appreciation of the interest shown by the committee in this matter and with highest regard.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

Mr. Speaker, the second letter pertaining to the same subject, addressed to Hon. EDWARD T. TAYLOR, chairman of the Appropriations Committee, as of April 25, 1940, runs as follows:

APRIL 25, 1940.

HON. EDWARD T. TAYLOR,
Chairman, Appropriations Committee, House of Representatives.

DEAR MR. TAYLOR: Referring to my letter of April 9, 1940, on the subject of the M-1 semiautomatic rifle, and responsive to the expressed desires of the Appropriations Committee, I am pleased to forward herewith a full report of investigation by the General Staff on this same subject.

This report, which has my unqualified approval, is based on a thorough study of War Department records and on the full reports of all divisions now in the field. I also include copies of reports received from the commanding generals of the First, Third, Fifth, and Sixth Divisions submitting their opinions on the Garand rifle. These reports had not been received in the War Department at the time that my letter of April 9 was dispatched.

I trust that the accompanying papers, together with those previously furnished, will completely satisfy the Appropriations Committee as to the soundness of the War Department's position on this important subject and will definitely remove any apprehension on the part of members of your committee regarding the comparative effectiveness of the M-1 semiautomatic rifle.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

In order that the Members of Congress as well as others interested may know the basic facts concerning the selection of the Garand rifle, I am inserting the entire report as submitted by the Chief of Staff to the Secretary of War.

APRIL 25, 1940.

MEMORANDUM FOR THE SECRETARY OF WAR

Subject: Investigation of the General Staff concerning the M-1 semiautomatic rifle (Garand).

1. Report No. 1912 of the House Military Appropriations Committee, Seventy-sixth Congress, third session, on the Military Establishment appropriation bill, fiscal year 1941, page 21, contained the following statement with reference to the Garand semiautomatic rifle:

"The accuracy, range, and type of ammunition remain as the chief controversial issues, and it is the sense of the committee that these should have prompt and thorough investigation by the General Staff."

In consonance with the above-expressed opinion, there is submitted below a full report based upon official War Department records and recent reports from the divisions now in the field.

2. The War Department is primarily interested in the efficiency of equipment for combat purposes. With this in view, certain steps involving a considerable period of time are prescribed before any item of equipment is finally adopted for issue as standard equipment to the combat arms. The combat arms in consideration of new developments at home or in foreign countries specifies certain characteristics which it desires to have developed by the supply service. After consideration by the General Staff of the purpose, cost, production, facilities, etc., authorization is given for its development as an experimental model by the developing or supply service. The experimental model is then tested by the developing arm and the combat arm and suggestions for improvement are embodied in further development. In case of an important item of equipment such as the rifle, it is then issued in limited quantities, and extended tests are conducted. If the combat arm recommends adoption as an item of standard issue, the Chief of Staff, after consideration by a technical committee which includes all the interested arms and services, then recommends to the Assistant Secretary of War that the supply service take the necessary measures to procure the required quantities for issue to the troops. This procedure has been frequently criticized due to the length of time involved before a new weapon or other item of equipment is placed in the hands of the troops.

3. However, War Department records show that such a procedure was followed in the case of the M-1 semiautomatic rifle and assertions that the rifle was adopted too quickly are not confirmed by the following facts extracted from the records. The development of the Garand rifle of the design represented by the M-1 rifle, was started in November 1927 as a caliber .276 semiautomatic rifle. A pilot model of the caliber .276 was entered in the competitive tests at Aberdeen Proving Ground in August 1929. Of all the weapons entered in that test, the Board considered that the Garand and Pedersen offered the best promise of success. Consequently, instructions were given for the manufacture of 24 Garands for a service test. Upon completion of a comparative service test between the Garand and Pedersen, the Garand was found to be the most satisfactory. In the meantime, in the fall of 1929, instructions were given for the development of a caliber .30 semiautomatic rifle to be of the same basic design as the Garand caliber .276. Until this time, no caliber .30 semiautomatic rifle suitable for military purposes and within the prescribed weight limits had been produced. The Garand design offered promise of producing a satisfactory semiautomatic rifle caliber .30 within the desired weight limits. Development of this caliber .30 Garand rifle was carried along concurrently with the further development of the caliber .276 until the early part of 1932 when the Chief of Staff directed that the semiautomatic rifle must be of caliber .30, at which time further work on the caliber .276 was abandoned. After frequent tests and modifications by the Ordnance Department, 75 caliber .30 rifles were issued to the Infantry and Cavalry Boards for test in 1934. As a result of these tests, certain components of the rifles were redesigned and submitted to test in May 1935, and the rifle was finally adopted for issue as a standard item of equipment in January 1936. Further tests were made at Fort Benning in 1936 and recommended improvements embodied in the design and on June 25, 1937, the commandant of the Infantry School recommended that the production of the rifle be expedited. Thus it is seen that the rifle was subjected to extended tests and many modifications over an extended period of time.

4. The records in the War Department show that caliber .30 M-1 ammunition (maximum range 5,500 yards) was developed primarily to produce long-range machine-gun ammunition. It was finally adopted as standard for the 1903 rifle on the principle that rifle and machine-gun ammunition should be identical in order to simplify the supply problem. After the adoption of the M-1 ammunition it was discovered that the range was so great that it was difficult to obtain target ranges of sufficient area to permit its use with safety to neighboring communities. Consequently, in April 1937, decision was reached to resume manufacture of a limited quantity of caliber .30 ammunition similar to the M-1906 to be used on those ranges that were not safe for use of the M-1 ammunition. As a result of this decision certain improvements

were made in the M-1906 ammunition and the new ammunition was designated as M-2 (maximum range 3,450 yards).

In the meantime, the Garand semiautomatic rifle was designed, developed, and tested for use with M-1 ammunition. Its performance in the tests with that ammunition was very satisfactory. It was adopted as the standard rifle in January 1936. In December 1937, the Chief of Infantry recommended that the M-2 ammunition be adopted as standard for all rifles and the Browning automatic rifle in both peace and war. In using the M-1 ammunition, the Infantry had found that the power developed by this cartridge resulted in undesirable recoil when used in shoulder weapons, and undue wear and tear on barrels and parts of all .30-caliber weapons.

In view of this recommendation, the General Staff in March 1938 requested a report from the Chief of Ordnance as to whether the M-2 ammunition could be used in the new semiautomatic rifle. In reply he recommended that caliber .30 (1906 type) ball ammunition, now known as M-2 ball ammunition, be adopted for use in all rifles and light machine guns. This recommendation was approved by the Chief of Staff on July 19, 1938.

With the advent of the Infantry 81-mm. mortar the question arose as to whether long-range machine-gun fire was necessary. Consequently, in March 1939, the Infantry board conducted tests at Fort Benning with the 81-mm. mortar and machine guns firing both the M-1 ammunition and the M-2 ammunition.

The board reported that "Adoption of M-2 ammunition will reduce the effectiveness of machine guns in the following:

- "(a) Ability to penetrate.
- "(b) Ability to effectively fire on targets over 2,400 yards."

It would permit:

- "(a) Longer life of barrel and parts.
- "(b) Searching of more area on reverse slopes.
- "(c) The use of one type of caliber .30 ball cartridges in all infantry weapons.

"(d) More latitude in selecting firing positions."

A statement was made that there will be rare occasions for machine guns at distant ranges and that M-2 ammunition is sufficiently good in range and penetration to do the normal expected work on the battlefield.

It was recommended that caliber .30 M-2 ammunition be classified as standard ammunition for all caliber .30 infantry weapons both in peace and war. This recommendation was approved by the Chief of Infantry, concurred in by the Chief of Cavalry, and put into effect by the War Department on December 19, 1939.

From the above sequence of events extracted from the records of the War Department, it is evident that the statement "that M-1 ammunition is not suitable for use with the Garand rifle, the pressures being too great, thereby making it necessary for the Department to manufacture M-2 ammunition," has no basis in fact. Each M-1 rifle manufactured is required to function satisfactorily with both M-1 and M-2 ammunition before it is accepted.

5. The reports from the field submitted to the committee involve forces employing approximately 18,000 rifles most of which have been used in known range and combat practice. These reports confirm the statements of the Chief of Infantry in his letter to the Chief of Ordnance dated April 2, 1940.

Briefly, these are as follows, with confirmation noted:

- (a) Due to increased rate of fire it can take advantage of the fleeting targets which present themselves in battle.

Confirmed by combat practice in divisions.

- (b) The battle fire of the soldier is much more accurate due to the fact that the rifle can be held on the target and the aim not disturbed by reloading as is the case with the 1903 rifle.

Confirmed by combat practice in divisions.

- (c) The fatigue of firing is very much reduced.

Confirmed by all reports.

- (d) The more rapid rate of fire and the ability to hold the piece continually on the target greatly increase the efficiency of anti-aircraft fire.

This is a matter of opinion not yet based on actual target practice but confirmed by opinions by First Division and Sixth Division. It is a reasonable assumption, as everyone knows, that it is better to fire at a duck with a shotgun than a rifle.

- (e) The reduced recoil and elimination of bolt manipulation in rapid fire greatly reduce the training time (about 50 percent) required to produce an efficient rifleman.

Confirmed by experience in all divisions. Offset to a minor degree in that more time is apparently needed for instruction in care and cleaning.

- (f) The ballistic accuracy is the same as that of the 1903 rifle, but with the larger peep sight for battlefield effect its target-range accuracy may not equal that of the 1903 rifle.

Reports indicate that target-range accuracy is the same up to 500 yards, but that hits in combat practice are very much greater with the semiautomatic rifle.

- (g) The M-1 rifle has been favorably received throughout the service.

This is confirmed by all reports to the effect that this rifle is definitely superior in its combat efficiency to the M-1903 rifle.

6. It also appears from these reports that all division commanders would prefer to have their troops in action equipped with the M-1 rifle rather than the M-1903 Springfield rifle. As one division commander states: "The psychological effect of increased fire power is of great combat value." Another states that "United States infantryman would as soon think of going back to muzzle loaders. He is now the best-armed soldier in the world."

7. In general, the records show that the present sight was deliberately adopted as a combat sight in preference to a target-range sight. The objections to the front end have been removed. The question of lubrication and cleaning is one that can be easily solved by proper instruction and these difficulties have been removed by experience in a short period of time in the field. The accuracy is very satisfactory for combat purposes. The range depends upon the type of ammunition which was adopted after full consideration by the using arms that superior range of the M-1 cartridge was not needed on the battlefield and was more than compensated for in the M-2 cartridge by the following advantages, viz, reduced recoil, increased number of rounds that can be carried by the soldier, a more curved trajectory permitting fire over troops supported and against targets on reverse slopes.

8. The Chief of Staff agrees with his commanders in the field that the adoption of the M-1 caliber .30 semiautomatic rifle as a standard shoulder weapon to replace the M-1903 Springfield rifle has been fully justified.

CHIEF OF STAFF.

APPROPRIATIONS FOR WORK RELIEF AND RELIEF, 1941

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 544, making appropriations for work relief and relief, for the fiscal year ending June 30, 1941.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of House Joint Resolution 544, the relief bill, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from New York [Mr. TABER] is recognized.

Mr. TABER. Mr. Chairman, I had started to tell a little of the operations of the gentleman who occupies the position of Deputy Administrator. Down in New Orleans and Baton Rouge they have major football games at Thanksgiving and New Year's, the Sugar Bowl game, on January 1. This gentleman traveled to these places on the following occasions at Government expense with a per diem: January 1, 1936, New Year's Day. Thanksgiving, November 26, 1936. Christmas, December 25, 1936. New Year's, January 1, 1937. Thanksgiving, November 25, 1937. Christmas, December 25, 1937. New Year's, January 1, 1938. Thanksgiving, November 24, 1938. Christmas, December 25, 1938. New Year's, January 1, 1939. Thanksgiving, November 23, 1939. Christmas, December 25, 1939. New Year's, January 1, 1940.

This same gentleman delivered an address on the radio on a Nation-wide hook-up on August 23, 1939, from 8:30 to 8:45 p. m. on the Columbia network. During that address the gentleman stated, in answer to a question submitted by Mr. Haas as to whether the 18-month proviso was formulated by Colonel Harrington with the approval of the President:

The written and published testimony of Administrator Harrington was specifically opposed to this and many other provisions of this act. There is no excuse for any person attempting to fool W. P. A. workers or the American people as to the responsibility for these provisions. The particular legislation which Mr. Runyon writes me about simply means that every person who has worked on W. P. A. for 18 months must be fired, regardless of need. No one in his right mind would believe that this administration approved such a program.

This statement was positively and unequivocally false and deliberately false.

Mr. JOHNS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHNS. Will not the gentleman give us page references as he goes along?

Mr. TABER. I just read from page 728 of the investigation hearings. I now read from page 40 of the hearings on House Joint Resolutions 209 and 246:

On page 40 Colonel Harrington stated:

What I have said to the committee before, and what I say again, is that I believe that a policy of rotation in employment—not necessarily staggering employment for short periods, but rotation in W. P. A. employment—is one that should be put into effect.

Colonel Harrington on numerous other occasions gave other testimony along this line.

Mr. HOFFMAN. What is the date of that?

Mr. TABER. This is March 15, 1939, only about 6 months before the address on the radio.

Mr. HOFFMAN. Well, had the fellow who made the address on the radio been at these football games when this other testimony of Mr. Harrington was given?

Mr. TABER. He was present in the room and heard it. He knew all about it. If an ordinary fellow like myself were to do such a thing and had the attitude toward the finances of the Government that this gentleman has, it would be venal, but for one with the cross of the New Deal on his forehead I suppose it sanctifies it.

Mr. HOFFMAN. I understood the gentleman to say that this man had refunded or was forced to pay back certain items?

Mr. TABER. Seventeen-hundred-odd dollars.

Mr. HOFFMAN. Has the gentleman a list of those items so we will know which ones he paid back or have you just the lump sum?

Mr. TABER. I only have it in a lump sum. It is here in the hearings and it can be figured out. I have it in my head only as a lump sum. I have referred to the page where it appears.

Mr. PITTENGER. Who is responsible for this fellow?

Mr. TABER. He is the First Deputy Administrator under Colonel Harrington. He is a fellow who is high enough up so he ought to be noticed.

On page 584 it is shown that the gentleman had a conference room over at the Hotel Carlton, instead of using the rooms of the Government departments, and he billed the Government for \$32 for it. That is the statement made to the committee.

Mr. HOFFMAN. Perhaps he was a man of dual personality.

Mr. TABER. I do not know. Then there was a man by the name of Matthew S. Murray who was Missouri State administrator for a long time. He held that job at a salary of about \$7,500 and at the same time was director of public works of the city of Kansas City, Mo. On June 15, 1939, on the floor of the House that gentleman and his operations were exposed. A little later on the Federal income-tax auditors got after him, and I read from the St. Louis Star-Times of June 26:

It appears that the director of public works, Matthew S. Murray, in his statement of equipment rentals misunderstood and misapplied the associated general contractors' expense schedule and thus reaches a cost double the cost allowable by that schedule. Provisions requiring the advertisement of bids, the receiving of bids, and the letting of contracts were evaded or violated so that \$569,919 was spent without written bids or contracts.

Now, that gentleman was soon indicted, and he is now reposing safely in Leavenworth Penitentiary, a select Government institution; but notwithstanding that all of this stuff was brought before the Administrator he did not separate this man from the rolls at all. He resigned in October 1939 to go to the penitentiary, when he had 4 months to abuse his office after his exposure. When the Administrator reports it to this committee he reports that the gentleman resigned "for personal reasons."

A man named J. H. Krutcher has been Louisiana administrator for a long time. All sorts of irregularities and irregular projects have been going on down there. Our investigators went down there in June at the same time investigators from the W. P. A. went down there, and this has all been called to the attention of the Administrator right along. Mr. Krutcher is still in office.

A man by the name of Charles Gordon Smith was head of the OGPU over in New York City of the W. P. A. He was appointed back in 1935. He was private investigator for Colonel Somervell, the local manager of the W. P. A. up there. As early as 1936 there was a report to Colonel Somervell, and the charge was that the gentleman named was selling W. P. A. jobs. But the fellow was able to get out of it somehow or other.

It was reported in July 1938 that the said Charles Gordon Smith is not and cannot be a United States citizen. Smith had a long background of criminal activities in the States

of California and New York. The name "Smith" could hardly be his true name because of his eastern Europe accent. Various records of the W. P. A. signed by him as to citizenship and birthplace were all conflicting and lies. The Alcohol Division of the Treasury Department has a record of this man over his own signature stating he was born in London, England. The gentleman had a trip to Russia, and I may say he was well prepared for his W. P. A. job. On March 14, 1939, he was finally caught and indicted on that day. He was then separated from the service after 3 years of pending charges. As I stated, this gentleman was indicted on March 14, 1939, but he has not yet been brought to trial.

At the same time a man named Emanuel Tishman, who had the title "assistant administrator" and was private secretary to Colonel Somervell, was indicted for selling jobs along with Smith, and he has just now been convicted. The same sort of performance had been going on a long time. I do not mean that Colonel Somervell was in on it, but he was not up on his toes sufficiently so that he knew that it was going on.

That is a few of the prima donnas.

I am going over into New Jersey, now, where they have some select prima donnas. I will take up first Paterson, N. J. There we have a timekeeper who was employed at \$93.60 a month, and that gentleman was convicted of embezzlement in 1938, not very long back, was fined \$250, and placed on probation for 2 years.

We have another man by the name of Morris Berliner, and he was a prize one. He was arrested in 1927 and convicted of assault and battery on November 16, 1928, and fined \$250. On August 4, 1922, he was convicted of the crime of larceny and sentenced to jail.

In 1931 he was convicted of manslaughter and sentenced to 10 years. Yet that gentleman was a teacher on the adult-education program. Notwithstanding the fact that this was shown up, he was not separated from the service until August 30, 1939, under the 18-month provision. I tell you, that gentleman was well qualified for that job.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. How much a month was this ex-convict, this New Deal pay-roller, receiving?

Mr. TABER. He was getting \$93.60 a month. The average is about \$48.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Was he on relief or nonrelief?

Mr. TABER. I do not know.

Mr. McCORMACK. Was this in New York City?

Mr. TABER. Paterson, N. J.

Mr. McCORMACK. If it is relief, of course, the local authorities investigate to determine the eligibility.

Mr. TABER. Yes; but people are not supposed to be placed in positions where they teach adult education with such a glorious record.

Mr. McCORMACK. I am not questioning that statement. I am not taking issue with the gentleman. I simply wanted the Record to show whether he was on relief or nonrelief.

Mr. TABER. I am inclined to believe he was on relief.

Mr. McCORMACK. I should say so.

Mr. TABER. I would not want to say that he was an administrative or supervisory employee. I believe he was not. If a man who has a record of conviction such as this is employed as a laborer or in a minor capacity so that he can keep his body and soul together, I would not criticize it so much; but I do feel that it is wrong that this kind of man be put in and kept in as a teacher of adult education.

Mr. McCORMACK. My questions were not for the purpose of taking issue with that statement, but just to have the Record show whether he was on relief or nonrelief.

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. Did the Deputy Administrator, Mr. Hunter, make restitution for the travel-expense accounts which were falsified?

Mr. TABER. He was required to as to \$1,700. I do not believe he has ever been asked to on all these trips to New Orleans or the trips to the Kentucky Derby. There are some of his accounts that are still pending in the General Accounting Office.

Mr. ALLEN of Pennsylvania. Do I correctly understand that he did enter expense vouchers for \$1,700 which were later disallowed?

Mr. TABER. He did.

Mr. ALLEN of Pennsylvania. And he had to make restitution?

Mr. TABER. Yes.

Mr. ALLEN of Pennsylvania. But he accepted the money in the meantime?

Mr. TABER. He used travel orders that were illegal that totaled \$1,700.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. LUDLOW. To get the matter straight, I do not believe he made restitution.

Mr. TABER. It was deducted from the per diem that he was entitled to.

Mr. ALLEN of Pennsylvania. I do not believe I have it quite clear yet. He did actually accept the money at one time?

Mr. TABER. He did not get the money. He issued travel orders, and that sort of thing that were illegal, for more accommodations, both in number and quality, than the regulations allowed, and then he was surcharged with them.

Mr. Hunter admitted, on page 604 of the hearings, that he knew the travel orders were illegal when he drew them. That is the worst indictment that could be found against him. He knowingly and deliberately issued false travel orders.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Did he use the transportation which he obtained illegally on these travel orders?

Mr. TABER. He or someone else did.

Mr. SCHAFER of Wisconsin. Then why should he not be in the penitentiary instead of on the Federal pay roll? If he stole a loaf of bread, he would go to the jailhouse.

Mr. TABER. I could not answer that. The head of the Administration could answer it. He is still on the pay roll.

Mr. SCHAFER of Wisconsin. In what capacity?

Mr. TABER. First Deputy Administrator under Colonel Harrington.

Mr. SCHAFER of Wisconsin. He ought to be in the penitentiary if he embezzled that money from Uncle Sam in the manner the gentleman indicates that he did.

Mr. TABER. I have just taken it right out of the hearings from the investigators' records of the General Accounting Office.

These are just a few of the prima donnas. I am not going to go into any more of them. The evidence we have indicates that the W. P. A., the labor and that sort of thing, on a lot of the work is not more than 50-percent efficient anywhere, and the worst they get is probably 25 percent, and sometimes they get in between. The result of this situation is that all over the country we have jobs that take lots of times 3 months to do work that ought to be done in 2 weeks. We have a mixed-up mess as to planning and organization. We have no definite responsibility. The engineering and the supervision are in the hands of a local set and a Federal set, and it is just one awful mess. All of these Government operations where they go into local projects are on the same basis.

We are never going to begin to get anywhere unless we begin to get where one definite governmental agency is responsible for this situation. The more we go along the way we are going the worse it is going to get. When the proper time comes I shall offer an amendment to this joint resolution, an amendment which I placed in the Record yesterday,

and which I shall call specifically to the attention of the Members Tuesday when we begin to read the bill. My amendment provides for local administration and relief, to turn the money over as it may be needed to the localities and let them take the responsibility, whether they want relief or relief employment, and do a decent job. Let us put it somewhere where somebody will have responsibility instead of nobody. I do not see how we can ever get anywhere unless we do something of this kind.

Now, there are a lot of other people I could refer to and there are a lot of projects that I could refer to. Perhaps, the most ridiculous project that I have seen and the most menacing project that I have seen, although it is not large, is the construction of a four-story hen house out at the Soldiers' Home in Washington, to produce 72,000 dozen eggs annually in competition with the farmers of this country. This hen house cost \$115,000. There is direct competition with the farmer to overload the egg market at a time when we are obliged to take eggs off the market to prevent a complete collapse in the price.

Now, these people are spending about \$1,000,000 a year on publicity, all sorts of movie items and radio items, and then they get up exhibits that they place all over the country. We had one over here in the Congressional Library a month ago and I had some pictures taken of it—nice pictures. I am going to show some of them to you folks. They show what the W. P. A. is doing. Folks do not need to know what they are doing on these things. The people can find out well enough themselves. The idea of spending money for such things as that.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. SCHAFER of Wisconsin. Did they have a picture of the new four-story hen house in the Library of Congress?

Mr. TABER. Oh, they kept that out of sight as far as they could, but I have a picture of it, although I do not happen to have it here.

Mr. SCHAFER of Wisconsin. Was that a pretty good hen house. I notice that the agricultural professor who was the daddy of the New Deal American sell-out gold and silver policies wrote a book and admitted that he tried to perfect an invention to light up hen houses so that the chickens would think night was day and would lay two eggs instead of one, but it did not work and killed the chickens. I wonder if our New Deal brethren put that device in the four-story W. P. A. hen house.

Mr. TABER. I did not see that.

Mr. EDWIN A. HALL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. EDWIN A. HALL. I note here a photograph which is captioned "America's unfinished work," and right underneath is "W. P. A." What does that stand for?

Mr. TABER. I do not know whether that means that they never finish anything or not, but maybe that is it.

Mr. JOHNS. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. JOHNS. I notice on page 133 of part 3, of the hearings, that there was a W. P. A. project down at New Orleans where they were exterminating rats at a cost of \$2.97 per rat. Is there anything in that?

Mr. TABER. Nothing in it, except that is the truth.

Mr. JOHNS. That is a fact?

Mr. TABER. Colonel Harrington stated that it was a scientific study to get rid of yellow fever, but the investigators went through all of the W. P. A. records down in New Orleans and there was nothing to indicate anything except the expenditure of money to catch rats by ordinary labor, but they were very effective, as the gentleman sees, in getting money out of the Treasury.

Mr. LELAND M. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LELAND M. FORD. I have a picture here in my hand that says that certain sections of our country are still musically barren. I wonder if there are great sections of our country now that are still financially barren.

Mr. TABER. Yes; they have become barren with the operations of the W. P. A. and the New Deal.

There are a lot of other provisions in this bill that are bad. There are a good many matters under the Farm Security Administration that are bad. In my own opinion, all of it except the absolute grants to those poor families who are absolutely destitute should be done away with.

Mr. JOHNS. Mr. Chairman, will the gentleman yield for another question?

Mr. TABER. Yes.

Mr. JOHNS. I understand there are quite a number of these men who supervise these different jobs here that had their wages increased very materially each month. I am wondering if the man who did the work had his wages increased, too.

Mr. TABER. At the time they laid project workers off they were able to increase the wages of some of the administrative employees.

Mr. JOHNS. Did the men who actually did the work get any increase in wages?

Mr. TABER. They did not.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SCHAFER of Wisconsin. I notice on page 10 of the hearings that numerous cases of irregularities were found where the sum ranged from \$5.36 to \$466.09, and that restitution was made according to the testimony, without prosecution. Why have there not been prosecutions? Is the New Deal Attorney General Jackson so busy roaming around the country making political speeches that he does not have sufficient time to prosecute these New Deal pay rollers who steal from our almost bankrupt Federal Treasury?

Mr. TABER. The trouble is that they have been making settlements with a lot of these people for a very small percentage of the amount of the diversions or misappropriations. Of course, we have a lot of smart gentlemen, such as the State administrator in Indiana, who went back and forth every week to his home in Terre Haute, and a partner of his operated a cafeteria on Government leased property without paying any rent. That gentleman was evidently taking care of his own friends anyway, whether he was of the poor or not.

Mr. SCHAFER of Wisconsin. On the bottom of page 10 and on page 11 of the hearings we find that the taxpayers' funds in W. P. A. appropriations were expended in the amount of \$31,054.99 on a household demonstration project in Seattle, Wash., where they have 6 supervisors and 27 girls working on the project. The investigation indicates that the food for this project was not bought under competitive bidding. Page 11 of the hearings, part 3, states:

From March 2, 1938, to March 30, 1939, a total of 1,049 guests were served meals at no cost to the guests. These guests were high Government officials, W. P. A. officials, local politicians, and civic leaders and their wives. Also, the records show there were served free tea parties, buffet lunches, and meals for large groups. There is no sponsor's contribution in connection with this project.

Why should the W. P. A. money be spent for furnishing tea parties and free meals to politicians?

Mr. TABER. Mrs. Roosevelt and her daughter were both guests at this place. There were all sorts of irregularities all over, but I am not going any further with those things.

Louisiana is a particularly bad situation.

The Jackson Barracks job, which should have cost \$400,000, cost \$1,700,000.

The committee expert was Col. P. M. Anderson, a noted consulting engineer and former member of the Corps of Engineers.

The apologist for the W. P. A. and the city of New Orleans was a man named Scott who figured buildings on a square-foot basis and was not aware that the usual engineering practice was to use the cubic-foot basis.

In all Louisiana the Federal expenditures exceed \$86,000,000 with minor and juggled sponsors' contributions.

Louisiana has a population of 2,101,000. Her W. P. A. employment last January was 51,941. Her general relief load was only 8,245.

Louisiana collects annually about \$78,000,000 and spends \$67,000,000. Kansas has a population of 1,880,000, a W. P. A. employment of 34,159, and a general relief load of 22,398. Her annual collections are \$42,744,000 and she spends \$42,175,000. Iowa has a population of 2,470,000, a W. P. A. employment of 30,808, and a general relief load of 33,612. She collects annually \$86,598,000 and spends \$75,960,000.

It is apparent that Louisiana is just as rich as other States of the same population, and that instead of carrying her own relief load she has been favored by the W. P. A. management with large and unjustifiable grants of W. P. A. funds and that Louisiana is only carrying about 25 to 30 percent of the relief load that States of equal wealth and size are carrying.

I am going to yield the floor in a moment.

There is a terrible situation under the Puerto Rican reconstruction administration, where the Government is spending money for everything except relief, fooling it away in terrible shape, where the committee cut the estimate from \$7,000,000 down to \$3,500,000. It ought all to be cut out. There is no excuse for a dollar of it. On top of that we have a great deal of administrative nonsense. We still have that office of Government reports here at \$500,000, which is nothing but pure campaign fund; absolutely no excuse for it—an absolutely worthless fund—on the testimony of such men as Mr. Harrington, the head of the W. P. A. I do not see why we should go on fooling our money away.

We have just been told that we must appropriate over a billion dollars in appropriations and authorizations for national defense, and in the face of that we are being asked to do a lot of foolish things. I hope this Congress will give its thought to such things as straightening out this relief situation, and putting it on a sound, stable basis, and seeing whether we cannot get somewhere and make some progress instead of being reactionary all the time.

I yield the floor and reserve the remainder of my time.

Mr. LUDLOW. Mr. Chairman, the membership here is at a very low ebb. The gentleman from Virginia [Mr. WOODRUM] will speak next. I am sure the Members would like to hear him. I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order that there is no quorum present. The Chair will count. [After counting.] Sixty-five Members present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

Anderson, Mo.	Durham	Kirwan	Sacks
Barden, N. C.	Edmiston	Knutson	Secrest
Beam	Fish	Kramer	Seger
Bell	Folger	Kunkel	Shafer, Mich.
Bolton	Ford, Miss.	Lea	Sheppard
Buck	Gifford	Lewis, Ohio	Simpson
Buckley, N. Y.	Gilchrist	McAndrews	Smith, Ill.
Bulwinkle	Hare	McArdle	Smith, W. Va.
Burgin	Hart	McGehee	Steagall
Byron	Hawks	McLean	Sumner, Ill.
Cartwright	Hess	Marshall	Sweeney
Chapman	Hope	Merritt	Taylor
Clark	Hunter	Michener	Terry
Claypool	Jacobsen	Miller	Thomas, N. J.
Coffee, Nebr.	Jarman	Mouton	Thorkelson
Cooley	Jeffries	O'Brien	Tibbott
Crowther	Jennings	Osmer	Treadway
Cummings	Johnson, W. Va.	Pace	Wadsworth
Darrow	Jones, Ohio	Parsons	Weaver
Disney	Kee	Patman	Whelchel
Douglas	Keller	Risk	White, Idaho
Drewry	Kennedy, Md.	Robertson	Wood
Duncan	Kerr	Rogers, Okla.	
Dunn	Kinzer	Sabath	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the resolution, House Joint Resolution 544, and finding itself without a

quorum, he directed the roll to be called, when 336 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. CANNON of Missouri. Mr. Chairman, I yield 45 minutes to the gentleman from Virginia [Mr. WOODRUM]. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, we listened a few hours ago to the magnetic and persuasive voice of the Chief Executive speaking to us on the state of the Union and the security and peace of the American people.

Mr. Chairman, I believe Americans today are like the Greeks of old. We may fight among ourselves, we may divide at times along partisan lines, we may claw and scratch at each other upon occasions, but when the bugle sounds on the frontier, telling us that the enemy approaches, we lay down our partisan differences and approach these national issues with a single voice and a single purpose. [Applause.]

I believe America today, and I believe the Congress, has received this message of the President in the true spirit of America. The people of America will approve his recommendations. I believe the Congress will take them and give them careful and very speedy consideration, using that speed consistent with orderly, and dignified, legislative consideration.

America is a peace-loving people. Never has our flag unfurled in a war of conquest, and never has it dipped to an enemy. [Applause.] Our path of duty, as the President said today, as Americans, is plain and well defined. We shall carefully preserve our status as a great neutral Nation. We shall diligently and speedily build up our defense forces, and we shall be very careful to be ready when the hour strikes and the nations of the earth are war-worn and weary, to point the way, if we can, and to use our social and economic leadership to try to bring order and peace and tranquillity in this war-ridden world. [Applause.]

Mr. Chairman, the President asked us for another billion dollars. I am sure you think I am customarily very disagreeable on that subject. I would like to say, in the spirit of good sportsmanship, that the great Chief Executive did not say anything about "where we were going to get the money." [Laughter and applause.] Now, I am going to assume that somebody will tell us that, because the figures are rising. The thermometer is going up. If we follow the suggestion in the relief bill and set up the program on the basis of a billion and a half instead of a billion dollars, and if we put up another billion for defense, and then complacently adjourn Congress, we have left the United States perhaps prepared for a foreign foe, but we have weakened its internal defense. [Applause.]

Now, I am willing to appropriate the billion dollars for defense if the Army and Navy and those agencies make a showing for it, and I assume they will make a showing.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. No; not now, if the gentleman will excuse me.

But I do say again that is only a part of our duty. Let us not leave the books in the red when we leave here. [Applause.]

Stepping aside from the international problems to domestic problems, America's No. 1 domestic problem is unemployment. [Applause.] The very perpetuity and security of our democratic institutions depend upon some sort of logical, sensible, defensible solution to that problem. Now, it is a paradoxical problem. In a great land of peace and plenty there is great want and suffering. In a land where there is a surplus of wheat there is no bread. In a land where there is a surplus of cotton, little children are naked. In a land of marvelous opportunities and much work to be done, men pound the highways seeking employment. I say to you, my fellow countrymen, that it is a sad commentary on our ability to make democracy work if we cannot coordinate these great influences. That is America's problem No. 1.

I want to express my appreciation to the members of the committee for their interest and sincere help, and to the minority, led by the gentleman from New York [Mr. TABOR]. Acting as temporary chairman of this subcommittee, I have

endeavored to be fair and considerate of the minority members and their views and have found them most willing to cooperate. I want to here publicly record my appreciation of the splendid work rendered by Mr. J. O'Connor Roberts, the counsel for the committee; the many investigators, some of whom were loaned to the committee by the several governmental departments; and to especially express my appreciation of the customarily fine work done by Mr. Mark Sheild, the clerk of the Appropriations Committee, and his staff of able assistants.

We have approached this unemployment problem year after year since it presented itself so acutely, being content to appropriate funds for unemployment and to pass away from it, feeling that we were doing something to help the situation; being content to employ large numbers of men on the Federal pay roll at what we are pleased to call security wages. Well, security wages paid under our relief program are like Billy Sunday used to say about the guinea pig. He said it was neither guinea nor pig. "Security wages" is a misnomer, because a man on a W. P. A. job could not possibly be in a more insecure position, and I do not believe we can seriously dignify the amount of money that is paid him as wages.

We have been content to employ large numbers of men, and, under the guise of not wishing to pay them what we are pleased to call a "dole," we give them an amount of money and call it security wages.

Now, I do not claim to have kissed the philosopher's stone, to be able to stand in the Well today and tell you which of these roads, at the crossroads as we are, we will have to take to coordinate this economic situation. I do not know. I am confused, perhaps as you are. I am firmly convinced of one thing, however; I am firmly of the opinion that we are on the wrong road now. I do not believe that year after year, whether we appropriate \$1,000,000,000 or \$1,500,000,000, that it even scratches the surface of the unemployment problem or that we are rendering anything whatever toward a solution of the problem in its fundamental and its basic aspects. I think we are at the crossroads now, and unless the Congress—and not only the Congress but unless associated business, commerce, and industry—are willing to put their brain and purpose together to try to solve this problem, then, indeed, we have an internal problem that, in my judgment, threatens the Nation more than any foreign foe upon our border. [Applause.]

W. P. A. has spent—or rather on the relief program there has been spent—something like \$8,000,000,000 in 4½ years, and the Congress in its wisdom thought the time had come to have an accounting. A blank check had been handed out under the guise of relief. A bureau had been set up and it had had carte blanche authority; and the Congress, not the Appropriations Committee, but the Congress—because no member of this committee asked for the investigation; it was the resolution of the Congress—decided that it should be checked up on. Some people took violent offense at that. Some people's feelings were hurt because we had dared to call these servants of the Government on the carpet and ask them about these very many complaints and charges that had been lodged against our relief program. Let me say at the outset that you do not have to look far to find very many fine things about this relief program. In the last few years undoubtedly thousands and thousands of men and women have been put to work and have been prevented from having actual hunger and distress in their families. Much of a notable character has been accomplished that will remain all through the years as a testimony of this program. We did not have to have an investigation of W. P. A. to find these things that we know. Someone has said: "Oh, but your investigation did not do anything but sit down and criticize. All you did was to try to find fault and pick flaws and put the microscope on to see if there was anything you should criticize." Well, you did not have to have an investigation to know of the fine school buildings that had been erected, the great stadiums, the fine airports, the monumental highways, the underpasses, and the tunnels. We knew that; every Congressman saw that as he went through his district. But it

did take the work of an investigating committee to develop the fact that on many of the monumental buildings and highways the cost, because of the inefficiency of relief labor and the methods used, was from 25 to 50 percent more than it would have been or should have been had the work been performed under private contract.

We did not need an investigation to see those buildings, but it did take an investigation to develop the fact and to bring it to the attention of the committee, and we now pass it to you. W. P. A. stands today, if you approve this program as it is now set up, as perhaps the biggest contractor on the face of the earth. Think of that. Putting hundreds of thousands of men to work, yes; but let us look at it for a moment. Why, it sounds almost like the accomplishments of King Solomon—23,000 public buildings, 55,000 bridges and viaducts, 457,000 miles of highways, 9,646 miles of water mains, 1,500 miles of storm drains, hundreds of thousands of repair jobs and reconstruction jobs.

What has happened while W. P. A. was putting people from relief rolls to work on this construction? The Associated General Contractors of America came before our committee—and I hope you will take time to look at the hearings—and said that the contracting business, an old, established industry in America, had about been all but put out of business by W. P. A. They said that the 500,000 American workmen who customarily work on those construction jobs hired by the General Contractors of America were going off of their jobs and going onto the relief rolls because W. P. A. was taking the men off the relief rolls and putting them onto the contracting jobs. It took an investigating committee to find that out, and we did develop that. Again I say I hope you will look at the record. The fact is that, while Congress was trying in its generosity and humanity to relieve people in distress, localities and States, local and State officials, were ready to seize upon that Federal program and exploit the relief program of the United States Government to their own local and sometimes personal gain. Oh, it is a shameful record for some of the localities that you read of in the record, how they chiseled on the Federal program and the Federal Treasury, passing on to Uncle Sam and to the Federal Treasury the relief burdens that they should as localities bear themselves.

The situation in some of the metropolitan centers is very bad and very acute—New York, Chicago, Detroit, and one or two other places. On the other hand, however, the national average shows this remarkable fact, that although we have passed through this depression with the indebtedness of localities in the last few years going down and most of the cities and States now on balanced budgets, they came here and had their Congressmen and their Senators get the Federal Government to put up very much more than its share of this relief burden.

It also took the considerations of an investigating committee to develop the fact that the administrative expenses of W. P. A. had been very much too high, that money appropriated by the Congress supposed to go to relieve the needy was being uselessly spent in administrative expenses and the Congress in this current fiscal year reduced those administrative expenses by act of law to the extent of \$15,000,000 and they had no difficulty in getting along. In the present bill further reductions are being made.

I am in the unfortunate situation today that I cannot support the bill which has been reported by my subcommittee. Because I have taken somewhat of a prominent part in it I feel that I should tell you as well as I can why I feel like that. In the first place, when the Budget estimate came to the Congress at the beginning of this year, in January, we were told that the needs for W. P. A. for the next fiscal year would be a billion dollars. I made a speech right where I am standing now, in which I expressed my great delight and gratification that conditions under the administration of my party had so improved that we were now able to begin to carry out the promises which we had made to the American people to reduce the cost of government and to scale down, if possible, the relief needs of the country. But our joy and delight was to be short-lived, because very soon we learned through the public press that that was all a mistake, that the program

would not be a billion dollars as originally contemplated but scaled and set up on the basis of a billion and a half, the same as this year. I am not willing to admit that anything has happened between January and today, there has been any such great economic crash between January and today that justifies this Congress in increasing the relief budget 33½ percent, and if you pass this bill that is what you are doing. Please do not be deceived about this 8 months' business. That will not fool anybody, it will not fool the Budget, and it will not fool the balance sheet when you set it up. I do not know how some of my very dear friends who come from districts that are dependent upon this relief program are going to explain to their constituents when they get back to their districts that they only provided 8 months' relief. I am at a loss to know how they are going to explain that. You provided a full fiscal year of farm-parity payments and my good farmer friends from New York City and Detroit voted fiscal-year parity payments for the farmers; yet you are only willing to vote enough relief to carry the relief load until next March.

Mr. CELLER. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. CELLER. I am from New York and I voted for the parity payments. Does not the gentleman think we ought to get some relief from the farmers now for the city dwellers?

Mr. WOODRUM of Virginia. I think the gentleman has made a trade perhaps.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. WOODRUM of Virginia. For a question.

Mr. FITZPATRICK. I am from New York. Since I have been a Member of this House I have voted for farm relief and I never made a trade or spoke to a Member about a trade.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. VOORHIS of California. I do not want to take issue with the gentleman on the 8-month proposition, but he said nothing has happened since the message in January. I note in the report figures of production indexes there is shown a very sharp drop since January. Does not the gentleman think that is a factor to be taken into consideration?

Mr. WOODRUM of Virginia. I know there has been for a few months a little drop in the figures on the production indexes. I know that is true. As against that every Member of this House who reads the daily press knows that every reliable business index shows that we have not only reached the bottom but, on the contrary, it has been on the upgrade since then. Not only that, but within the last few hours we have heard it stated in this House, and you know it will happen, that the Government will put out a billion dollars' worth of construction for defense. Surely you are not going to tell me that that billion dollars that we are going to spend for construction does not make some difference in this employment picture.

Oh, the Congress ought to discharge its duty. If a billion and a half dollars ought to be appropriated, we ought to appropriate a billion and a half dollars and not kid ourselves by putting it on an 8-month basis. How are you going to answer that fellow when he says, "Congressman, you voted for relief." "Yes." "Well, I do not exactly understand what is going to happen after March 1 about our relief. Are we still going to get our relief after March 1?" "Oh, sure, sure. There will be no trouble about that." "How are we going to get it? You have not provided for it." "Oh, do not worry; the next Congress will do it. The next administration will do it."

Mr. BLOOM. The same administration.

Mr. WOODRUM of Virginia. Perhaps it will be another administration but the same people. Maybe that is the accurate way to say it. I cannot pick out a gentleman here I would not want to see come back here again. But, anyway, it is another Congress. It is the Seventy-seventh Congress. I am afraid that fellow will say this to my good friend whom I would want to see make that satisfactory explanation: "Well, now, Congressman, your opponent has been making speeches, saying if he went up there to the next Congress in your place he would vote this money for us for

a whole year. It seems to me there is some doubt where you stand on this because you appropriated for everything else for a year, for Congressmen's salaries, for farm relief, for running the Army and the Navy. You put up everything that you were called on to put up for a full fiscal year except our relief, and that is an important consideration to us."

Mr. Chairman, why kid ourselves by appropriating \$975,000,000 with the privilege to use it in 8 months if needed? Now, will it be needed? Colonel Harrington did not conceal for a moment that it would be needed and that it would be used. He says he will need it and he will use it. So why come here and talk about \$975,000,000 as a relief program, which is the same amount we had this year, when every man in this Congress knows that conditions are not as bad and the outlook for employment is not as bad as it was a year ago?

I am willing to appropriate just what the President told us in January was required for relief, \$975,000,000 for the next fiscal year. The reasons given for this increase of 33 1/3 percent are not very impressive. If it is true that between January and now employment conditions are 33 1/3 percent worse, then it is high time that we were changing our policies and changing our course of conduct of this matter.

When W. P. A. was set up originally it was a temporary organization. I am willing to appropriate for relief, but I deny that any gentleman has the right to say that an emergency stopgap system which we set up overnight in an emergency must be accepted from that day on as the last word on the manner in which this problem can be handled. Certainly our experience is worth something. Everything that I find in this picture leads me to believe that if Congress goes ahead this year and perhaps next year with W. P. A. it will have been fastened on America then and from then on as a permanent, definite, established part of our national economy. I cannot agree to that.

We do not forget that last year we were asked to set up a Cabinet position, a position in the President's Cabinet for a Director of Public Welfare, around whom welfare agencies could fasten themselves upon the public. We do not forget that last year and even again this year Congress is importuned to take the administrative personnel of W. P. A., 35,000 or 40,000 in number, and put them under the civil service, a permanent part of the establishment of the Government. I am unwilling to continue a system that in my considered judgment not only does not really help the worthy unemployed but will surely lead to national economic disaster if persisted in, a policy that in reality endangers the security and the permanency of the jobs of those who already work. [Applause.]

May we indulge for a moment in a little homespun philosophy. In my judgment, one of the factors that have made America a great Nation, a Nation we are proud of and that we like to boast about, is the individuality of its citizens, the individuality of their opportunity, the individuality of their responsibility. We are told that under our system of government there are certain great guaranties, one of the greatest of which is the guaranty of equality of opportunity.

It is the opportunity of an American citizen that our system of Government guarantees to him, the opportunity to work, to live, to support his dependents, to start at the bottom and climb to the top, to establish himself, to own his own home, to acquire and own property, to educate his children, to support his churches, and to hold his head up as the peer of every free man who lives on the face of the earth.

Not only that, but he has a responsibility as a citizen, a responsibility to help support this Government under which he lives. He must obey its laws and institutions. He should subscribe to its philosophies and glory in its traditions.

Bear in mind that this guaranty of equality is not a complete guaranty of property equality. It does not mean that if one man by brain or brawn succeeds in accumulating a few dollars some other less industrious or fortunate citizen has a right by one way or another to take half of that and divide it up because of the guaranty of equality of the Constitution. That is not so. That is not the guaranty at all. The guaranty under the Constitution is that under this

great scheme of life it will be a fair, equal, open competition on the part of every citizen to work and to live and to acquire property and enjoy the good things of life, the great competitive scheme of America, where "the race is to the swiftest" and the "battle to the strong." Such is the fundamental philosophy upon which our Government was founded, and it is upon that philosophy that it has grown to be the greatest government on the face of the earth.

When we face realities, what do we find? We find that we cannot always live up to those high ideals. We find that because of a disjointed, illogical economic system which has fastened itself upon our country, this is not an open, fair, equal competition between men, where every man who has the power and the will has as much of a chance to win as every other man. We find that because of the system which has grown upon us we have permitted distinctions to arise, discriminations to creep in, handicaps to be imposed, favoritism to be fostered, until today we cannot say that it is a free, open race; and, therefore, we must try to set in motion, if we can, compensating influences which will seek to help make the race a little more fair, which will help to remove some of these artificial handicaps that have been placed upon some of the fine, splendid people of the country who do not have the open, free competition in this scheme of life.

In this fierce battle we find that many men have not had their opportunity. There are some, I fear, who are not particularly anxious to enter into the heat of this competition. They are not new. They are not a product of the so-called depression or the New Deal. They have been here all the time. Instead of getting out in the heat of the noonday sun to win the race and to win the spurs that they wear by their brain or their brawn, they prefer to sit in the cool of the shade and let the world go by, hoping to grab something as it passes by. They are not a new element. They have been here all the time. [Applause.] But there are many others who in these last few years were under a definite handicap, strong, honest, fearless, brave American citizens who need a helping hand. I am glad that many of them received a helping hand, but many others who should have received a helping hand have been pushed out of that line by the very system that we set up to try to aid them. We must try to take away those discriminations; we must try to set these men on their feet so that they go forward under their own motive power. [Applause.]

This should be the objective of this Government. This should be the objective of every relief program that we set up.

Now, Mr. Chairman, I want to talk for just a minute about the unemployed. We do not know and have not any way of knowing how many there are unemployed in America. I would like to use some time to sit down and try to figure it out and make a chart, if you will. You would probably make a better one than the one I have here, but this is the one I had to make.

CATEGORIES

1. Those men and women who because of age or infirmities are unemployable; Who even in times of normal employment would likely not be self-supporting.
2. Those who because of special training or qualifications are not suited for ordinary pursuits and who would probably not be absorbed in any normal pick-up in employment; viz, musicians, actors, teachers, artists, etc.
3. That group who though physically able to work because of disinclination to do so, or lack of training of any sort, have never been regularly employed nor entirely self-supporting. In this category may be found those who work at part-time or seasonal occupations and who live often under definitely substandard conditions.
4. Those who are ready and willing to work—and physically able—but who are not destitute, and who can get by on their own if necessary, because of—
 - A. Income or means of support; and
 - B. Families who can and should help them.
5. Those who are able and willing to work—who need a job to prevent suffering, and who, if given a job, would support themselves and their dependents.

I do not know whether the number is 8,000,000 or 11,000,000, but I would like for you to sit down sometime and analyze it. Here is the way I have analyzed it.

I take category No. 1, and I put in that those men and women who, because of age or infirmities, are unemploy-

able, who even in times of normal employment would likely not to be self-supporting.

The people who are in this first category are definitely and decidedly local problems and should not be on a Federal program, except insofar as they might receive assistance from the social-security program. I do not know how many are in this group, but I suspect it is a very large element.

Category No. 2, those who, because of special training or qualifications, are not suited for ordinary pursuits and who would probably not be absorbed in any normal pick-up in employment; for instance, musicians, actors, teachers, artists, and a great many others that might be added in this category who, because of evolutionizing social and economic conditions, just find themselves out. There is no place for them. No matter how much business improves, they do not have a great deal to look forward to. They must have some consideration, of course.

Category No. 3, that group who, though physically able to work, because of a disinclination to do so or lack of training of any sort, have never been regularly employed nor entirely self-supporting.

In this category may be found those who work at part-time or seasonal occupations, and who live often under definitely substandard conditions.

I venture to say in the 8,000,000 or 11,000,000 unemployed who are now on the books as unemployed, there are a great many people who would come in category No. 3. They have never been self-supporting at all. They have always lived under substandard conditions. We do not like that; society should remedy that, but they are not a new problem in our society. They have been with us a long time. I do not know how many there are.

Category No. 4. Those who are ready and willing to work, physically able, but who are not destitute, and who can get by on their own, if necessary, because of:

A. Income or means of support.

B. Families who can and should support them in an emergency.

Now, I venture to say that in any list of 8,000,000 or 11,000,000 unemployed people, there would be many people in category No. 4. The Director of Statistics in the Department of Labor, pointed this fact out to us and called our attention to it, because he said, for instance, the Biggers surveys of the unemployed did not undertake to make any distinction at all. They simply asked, "Are you working?" "No." "Do you want a job?" "Yes." "All right, unemployed."

Dr. Lubin told us, for instance, "I have a very good friend who has not a job and he is very anxious to get a job, but," he said, "it does not make a lot of difference to him and he is going to have something to eat and have clothes whether he gets a job or not."

Now, we pass on to category No. 5, those who are able and willing to work, who need a job to prevent suffering, and who, if given a job, would support themselves and their dependents.

Find this indeterminate number in these 8,000,000 or 11,000,000, and they are the people that the Federal Government owes a very definite duty to. No systematic or philosophic approach to that kind of a proposition has ever been reached in this relief program, and when you continue day after day and year after year just dumping money out of the Treasury to carry on this sort of stop-gap program, you do not reach the basic and fundamental problems involved in it.

Now, I say we owe those in this category a job. Society owes them a job. It is just as much the duty of business and industry, just as much the obligation of the whole social order as it is a burden upon the Federal Government, because we have said that this is a land of opportunity, that men who want to work and will work ought to, certainly, under our social order and under our democratic institutions, be given that opportunity.

And what kind of a job? A W. P. A. job, working for the Government? Is that the objective? If it is, then, Heaven help us. If the objective is to dismiss this problem by saying we will put as many as we can on the Federal pay roll at starvation wages, then we have not gone very far toward

reaching the fundamental questions involved in this great problem.

A few days ago there was a convention in Washington. It was known as the Daughters of the Depression. Some ladies gathered here and were consulted by some distinguished Washington ladies, headed by the distinguished First Lady of the Land, always interested in humanitarian problems. They selected America's typical unemployed mother, and it is a typical case. She was Mrs. Hughes Easley, of St. Louis, the wife of an unemployed electrician. She has a husband and eight children. Of course, nothing was said about how Mrs. Easley came from St. Louis to Washington, and I suppose I should not even suggest that and I do not suggest it. I withdraw the suggestion.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield? If he will, I can answer the question.

Mr. WOODRUM of Virginia. Oh, I withdraw the suggestion. With the distinguished gentleman from Missouri [Mr. CANNON] and our beloved colleague the gentleman from St. Louis [Mr. COCHRAN], Mrs. Easley was vigorously and ably represented in Washington, and I am glad that she came.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. For a question.

Mr. CANNON of Missouri. The first I ever heard of the lady was the remark the gentleman makes about her.

Mr. WOODRUM of Virginia. I am sure of that, but the remark was not made to suggest that the gentleman knew anything about the case, but to suggest the fact that the gentleman is vigorous in his demands that we take ample care of the needy.

Mr. CANNON of Missouri. Only those needy who are unemployed.

Mr. WOODRUM of Virginia. That is right. Mr. Chairman, Mrs. Easley is the wife of an unemployed electrician. I did not know there were any skilled workers on the relief rolls. That surprised me, but she impressed upon that crowd of ladies the sorrow and distress in her home, because they were trying to live on W. P. A. wage of \$68 a month.

Mr. BRADLEY of Pennsylvania. The gentleman does not mean to say that he does not know that there are any skilled workers on relief rolls?

Mr. WOODRUM of Virginia. I did not think there were.

Mr. BRADLEY of Pennsylvania. I can assure the gentleman there are thousands and thousands of them who are skilled and hope to get work.

Mr. CELLER. And in my district there are thousands of skilled workers on relief rolls who cannot get a job.

Mr. WOODRUM of Virginia. Then that is an eloquent argument for what I am going to say in a few minutes and I thank the gentlemen for their contribution. Is it not a sad commentary when the Congress provides \$68 a month for a skilled worker with a wife and eight children and pats itself on the back and thinks it is doing something to aid the unemployed situation in this country? Of course there is sorrow and distress in the Easley family. I venture to say that if you had a list of the unemployed in that community you would find that Mr. and Mrs. Easley and probably two or three of their children are listed as unemployed people. But if you take Hughes Easley and give him a job in private industry at an electrician's wages, then Mrs. Easley will not have to come to Washington and make a protest, and there will be no sorrow and distress in the Easley family, they will be able to eat and live and the children will be able to go back to school, and three or four members of the Easley family will go off the unemployed roll.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I would rather go on. For a question, I yield.

Mr. COCHRAN. Just to say Mr. Easley lives in my congressional district. You can provide a hundred thousand jobs for electricians in this country and Mr. Easley, who is 100-percent disabled, could not accept one of the jobs.

Mr. WOODRUM of Virginia. I thank the gentleman. That clears up a lot about that.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM of Virginia. Will the gentleman from Missouri yield me 15 minutes more?

Mr. CANNON of Missouri. I yield the gentleman 15 additional minutes.

Mr. WOODRUM of Virginia. So that clears up that little proposition. I suppose by coordinated economy we might give these people jobs in private industry, not at W. P. A. wages but at American wages. A distinguished Senator the other day in addressing a great audience referred to the W. P. A. as the American way. That is not the American way. I do not deprecate the fact that the W. P. A. wage has saved people, but I challenge the fact that the wage should ever be accepted as a definite part of the American economy, or as our ultimate objective in the unemployment problem.

How are you going to do this? You say, "Oh, it is very easy to say give him a job in private industry"; but how can you give him a job in private industry, and what are you going to do about it? I want to particularize. The good ladies the other night, God bless them—every one of them, individually and collectively—were told of the sorrow and distress and suffering, and their magnificent hearts responded and did what was natural.

I am advised through the press that one of the first planks in their verdict was the enlargement of W. P. A.—put more on W. P. A. My philosophy is let us try to take people off of W. P. A. and put them somewhere else. [Applause.]

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I would like to go ahead.

Mr. SABATH. Just for a brief question.

Mr. WOODRUM of Virginia. Always to my friend.

Mr. SABATH. The gentleman has given a great deal of thought and study to this question and perhaps he can enlighten the House and the administration as to how to put these people to work. I will be pleased, indeed, if he will give us advice as to how it could be done.

Mr. WOODRUM of Virginia. In the language of Shakespeare, "I thank thee for that word." [Laughter.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Not just now. I have come to something right now that is important.

What are you going to do with it? I would like to see W. P. A. get enough funds to carry on a program, nonconstruction program, emergency—always understood that is an emergency and temporary and that it is not the objective—that will do what it can for these people in the first three categories that need help, but tighten up and put the screws on your communities and make them take a part of their burden. They will never do it unless you make them, and then instead of giving all of this billion dollars to W. P. A. to go into big construction business all over the country, I would rather see half of it put into a public-works program.

What do you get under a public-works program? Remember there was never a breath of criticism made in the well of this House that I ever heard against the program that was carried on by the Public Works Administration. [Applause.] Where localities carry on their projects they put up 55 percent of the cost of it. Rest assured when they put up 55 percent of the cost they will see to it that they are square and open and above board. The Public Works Administration carried on a wonderful program. What do you have on that? Here is a million-dollar construction program, whether it is P. W. A. or however you want to handle it, on a grant-in-aid basis for communities, schools, sewer projects, waterworks, bridges, highways, other things that they need; a million-dollar construction item. Five hundred and fifty thousand dollars of it comes from the community. Four hundred and fifty thousand of it is Federal money; but watch, if you please: Of that \$450,000 Federal money, \$293,000 is paid to workmen at the site in American wages and not in W. P. A. wages. [Applause.] Four hundred and fifty thousand worth of Federal dollars gives a million dollars' worth of construction, and for every man who draws his wages at the site there are four or five off the site in fabricating the

material all over this country, up one side and down the other.

I say to you that our relief program ought to be put on this basis, to get it down into a couple of nutshells. [Applause.] We ought to carry W. P. A. on a purely temporary, emergency basis to meet these emergency cases, especially in the congested centers where there is an accentuated part of this great relief burden, like these big industrial centers. They cannot carry that burden alone. I know that they cannot. It is a national problem. But there are many communities, many counties, that can go on their own now and that do not need to have this. It is idiotic to say that this money that we put up has to be spread all over the earth, whether they need it or whether they do not need it.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes; I yield to the gentleman.

Mr. VOORHIS of California. There are some of us, and I am one, who have been deeply anxious about having a public-works program, and the consideration of the bill we have before us would be quite a different one as far as I am concerned if we did have such a program. I wish we could have a Public Works Administration program, and I regret that we have not set one up.

Mr. WOODRUM of Virginia. I appreciate that, because I know how conscientious the gentleman from California is. May I suggest this to him: We do not have a P. W. A. program, but we have a billion-dollar defense program. Does not the gentleman think that will make some difference in this unemployment situation?

Mr. VOORHIS of California. Some; but not nearly as much.

Mr. WOODRUM of Virginia. Not nearly as much.

Mr. VOORHIS of California. From the standpoint of employment, the gentleman knows—

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. FITZPATRICK. I recall in the Seventy-second Congress both the House and Senate passed such a bill for \$3,000,000,000 worth of construction work, and every item in it had either been approved by the Congress or by the War Department, and that bill was vetoed by President Hoover.

Mr. WOODRUM of Virginia. Well, I do not know about that.

Mr. FITZPATRICK. Well, the gentleman voted for the bill. He was here.

Mr. WOODRUM of Virginia. I expect I did. I have a lot of sins to my credit. [Laughter.]

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. WALTER. Does not the gentleman feel that in this program he has suggested the communities that are most in need of assistance are the ones that are least able to avail themselves of it?

Mr. WOODRUM of Virginia. I think they are. I think if W. P. A. had three or four hundred million dollars they could take care of those situations. You must have these two programs, but you have W. P. A. trying to run a relief program and at the same time the biggest construction contractor in the world, trying to combine project efficiency with human needs and relief, and they simply will not work together.

Now, let me say this: Every Congressman has had this experience. You have had some constituent come to you and say, "I don't understand. I have a wife and five kids. I have been laid off. The man next to me has no dependents, and he is still working on W. P. A. How does that happen?"

Go and inquire of W. P. A. They say, "Well, our rule is to let off the most inefficient and keep the most efficient." Keep the people on W. P. A. who would be the most likely to become absorbed in private industry, and they let off the inefficient who could not be absorbed. It does not make sense. They keep only the most efficient because they have got to make a showing on these schools, these buildings, and these big construction projects they are carrying on.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes; I yield to the gentleman from Tennessee.

Mr. COOPER. Is not the program here suggested by the distinguished gentleman from Virginia substantially the same or at least very similar to the so-called lending-and-spending program advocated by the administration last year?

Mr. WOODRUM of Virginia. I do not know that it is so similar to that. I say that I think whatever funds are spent we could spend by subsidizing private industries rather than by pouring it out as we have in the past.

Mr. Chairman, to be specific, may I make the following concrete suggestions:

A SUGGESTED PLAN

First. An intensive effort should be made to enlist industry and individual employers in a movement to find jobs for the unemployed with a relaxation of the present hard and often inhuman age limitation. In exchange for this intensive cooperation by business in a reemployment effort, the Government should show a more conciliatory attitude toward business.

Second. Limit the Federal participation in work relief to \$975,000,000 for the fiscal year 1941.

Third. Drastically revamp W. P. A. by reducing by at least 50 percent its nonrelief administrative personnel and its administrative expenses.

Fourth. Continue W. P. A. on a purely temporary basis and allocate to it funds to operate in localities where there is pressing need for types of projects of a nonconstruction nature.

Fifth. Take W. P. A. entirely out of heavy construction. Limit its operation in this field to small projects where a maximum of common labor is required.

Sixth. Earmark a specific amount to be used by the President at his discretion in any emergency to relieve human needs.

Seventh. Put pressure on localities and States to compel them to carry their part of the relief burden where they are financially able to do so.

Eighth. Withhold allocations of all funds from localities or States who have exploited or chiseled on the Federal program.

Ninth. Allocate part of the sum appropriated to a carefully considered program of public works, both Federal and non-Federal; projects to be let to contract to the lowest bidder, using unemployed people wherever possible and at prevailing rates of pay.

Types of projects which might be considered for a public-works program are:

A. Grants-in-aid to localities or public bodies on a 45-55-percent basis for the construction of schools, stadiums, recreation centers, armories, airports, and other similar needed public improvement. Similar to the P. W. A. program.

B. For approved river and harbor and flood-control projects.

C. Needed public buildings that have been approved by the Interdepartmental Committee.

D. Congressionally approved Federal projects such as construction, repair, and remodeling at Army posts and naval bases, landing fields, and Veterans' Administration, Public Health Service, and Army and Navy hospitals.

All of this construction to be done in the orthodox American way—for instance by contract to the lowest bidder at the prevailing rate of pay.

Mr. Chairman, I want to conclude with this statement: Dark clouds of despair are hanging over the world. The war lords have loosed the hounds of war, and greed, and lust for power and brute force. The "four horsemen" of disaster are on the loose. Our hearts are heavy for the sorrow and suffering of other lands, but our spirit is alert to protect our own. We shall proceed with dignified dispatch to set our own house in order, but in our deep concern in that regard, I hope that we shall not overlook our critical domestic problems. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Virginia yields back 4 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, the investigation by the subcommittee of the Committee on Appropriations is going to be extremely beneficial. The statement of the gentleman from New York [Mr. TABER] will, of course, be read by all. Government officials and employees undoubtedly are going to be a little more careful in handling Government funds. So far as the people to whom he referred who conspired to rob the Government and who have sold W. P. A. jobs, their place is in the penitentiary, and the sooner they are put there the better off the country will be. [Applause.]

Naturally, the gentleman from New York picked out the highest official of W. P. A. he could to criticize, Mr. Howard Hunter, the Deputy Administrator.

I happen to know Mr. Hunter, but I am absolutely under no obligations to him. The fact of the matter is information came to me in reference to his travel vouchers, and while my committee has no investigators, nor had any \$25,000 to spend, I personally made an investigation, and I talked with Mr. Hunter in reference to the matter. I had heard about the General Accounting Office disallowing some of his vouchers. The trouble with Mr. Hunter is that he is a little bit too outspoken. Some letters were written by my Republican friends which fell into the hands of Mr. Hunter, or the W. P. A. Mr. Hunter made a speech over the radio in which he denied statements that were included in letters written by Republican Members of Congress in answer to complaints they had received from their constituents who had been furloughed because they had been on the pay roll for 18 months. The Members of Congress said that the thought originated with the Work Projects Administrator and the New Deal. They said they are the ones to be blamed. If I am not in error, 9 out of every 10 Republicans voted for that proviso. I opposed it.

The 18 months' provision originated in the Appropriations Committee and was based on the investigation in New York, where it was disclosed that 40 percent of those on W. P. A. had been on the roll, I think, 3 or 4 years.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I cannot yield now. Mr. Hunter as a result of that speech, denying that the W. P. A. was responsible for the 18 months' provision, has been a marked man. Nevertheless the gentleman from New York was justified in going into his travel accounts. That was within his rights. That was the money the General Accounting Office refused to approve. Mr. Hunter had a \$1-a-year secretary. The General Accounting Office held that he had no right to issue travel vouchers for that secretary, and they disapproved them. Every hour of the day, every working day of the year, the General Accounting Office is disapproving travel vouchers and expense accounts. I know this to be true. If you do not believe it, investigate.

You talk about his Chicago assignment; it was indicated that because he was a legal voter of Chicago he should never have been assigned there and allowed a per diem.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, will the gentleman from Missouri yield me 5 additional minutes?

Mr. CANNON of Missouri. I much regret that the time is controlled by the other side.

Mr. COCHRAN. Will not the gentleman let me have 3 minutes?

Mr. CANNON of Missouri. I am sorry; I cannot.

Mr. COCHRAN. Mr. Chairman, will the gentleman from New York yield me 3 minutes?

Mr. TABER. The gentleman refused to yield to me.

Mr. COCHRAN. I was going to yield to the gentleman. Let me have 3 minutes, and I will yield to the gentleman right now. This will not be taken out of the time controlled by the gentleman from New York; it will be taken out of the time controlled by the gentleman from Missouri.

Mr. DINGELL. Mr. Chairman, I have been assigned 10 minutes. I will yield half of my time—5 minutes—to the gentleman from Missouri.

The CHAIRMAN. Time on the Democratic side is under the control of the gentleman from Missouri.

Mr. COCHRAN. Under the circumstances, Mr. Chairman, I must ask unanimous consent to revise and extend my remarks, in view of the fact that I have been denied the right to answer a statement made on the floor. You must be afraid for me to answer some of your criticisms.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Chairman, why was Mr. Hunter required to spend so much time in Chicago? One would infer by the statement of the gentleman from New York [Mr. TABER] and by the hearings that he was placed there solely for the purpose of drawing per diem while away from his post of duty, which was Washington. The fact of the matter is Mr. Hunter was the regional head of an area comprising 13 States, in which 40 percent of those employed by W. P. A. reside. Chicago was closer to the State and local administrators than Washington. While he was away from Washington most of the year, still he was not always in Chicago, but traveling over the area. Among the States under Mr. Hunter's jurisdiction was my own, Missouri. I know he was required on many occasions to come to St. Louis. One time in particular I recall. There was need for an investigation and I probably was responsible for him coming at that time.

I have always refrained from trying to use what influence I might have in connection with the W. P. A. I have frankly told people who come to me that W. P. A. was created for all unfortunate citizens, not for those of any political party and anyone who could qualify under the policy of W. P. A. was entitled to consideration for appointment. I have asked that certain cases be looked into, but in no instance have I demanded the appointment of any individual. The fact that the report of the investigation in noway criticizes my home city or State is exceedingly pleasing to me. I am honest when I make the statement that I have received no complaints concerning the administration of W. P. A. in Missouri, other than from some individuals who were furloughed. I think Mr. Hunter, as well as those who were in charge in my city, certainly are entitled to credit for the condition that existed in Missouri.

The committee investigator overlooked one event which I will refer to. I know Mr. Hunter sat in a conference for at least 3 days in St. Louis that lasted each day until 11 or 12 o'clock at night. Of course he did not receive overtime. Then he attended a world-series game. Do you think he should be criticized for that? Did we not adjourn a few weeks ago in order that we might be able to attend the opening of the baseball season in Washington? Did anyone criticize the House for taking an afternoon off? I hope Washington wins the championship this year, provided St. Louis does not. If that happens the world series will be played here and if by chance Congress is in session, do you think for one moment you will be able to find a quorum here while one of those games are in progress?

If it is a wrong for a public official to attend some event of national importance while he happens to be in some city on official business traveling at Government expense, those who feel it is should introduce legislation prohibiting any Government employee from being in a locality at the time such an event is being held.

Mr. Hunter admitted to me that he had been in Louisville on several occasions right at the time the Kentucky Derby was being run. He said he had conferences with local and State officials during his visit and he also attended the Derby. He was required to go there and probably he did time his visit so that he could see the Derby, I do not say he did not nor do I say he did.

I notice it is also brought out he was in Florida when the Flamingo Stakes was run. That is admitted too, but what was he doing in Florida? Read the testimony of Colonel Harrington, the Administrator, and you get the answer. There was a bitter primary in Florida and Colonel Harrington sent

Mr. Hunter there to see that no one on W. P. A. attempted to use any influence to require those on the W. P. A. roll to vote for any special candidate. It is also noted that the 2 days he was at the races he took annual leave and did not draw per diem allowance.

Mr. Hunter is charged with making numerous trips to Louisiana around Thanksgiving and in December. Surely if he had home connections in Chicago, he would certainly have preferred to have been in that city at Thanksgiving and during the Christmas holidays. New Orleans was the regional headquarters for 13 Southern States which had many outstanding relief problems. Meetings were held there at which the Administrator of W. P. A. presided, and it was only proper that Mr. Hunter be in attendance. I am told that only recently it has been necessary for Mr. Hunter to make two trips to Louisiana and Mississippi.

In 1936 Mr. Hunter was in charge of the drought-relief program in the entire central area of the country and the area which he was responsible for from an administrative standpoint involved about one-third of the population of the country.

In the period from January 1 to July 1, 1938, one of his duties was to increase the W. P. A. rolls, and in the area he looked after over 1,000,000 additional persons were put to work, which assisted in stopping the recession and kept that many families off the bread line. Remember, he did not decide where his headquarters were to be, but the Administrator was the one who made the ruling. Mr. Hunter has been a strong advocate for proper relief for the unemployed and beneficial relief programs. Of course, that does not appeal to those who are not in sympathy with the W. P. A.

Let me touch briefly on how the General Accounting Office operates. It goes over the travel vouchers and expense accounts. If an official or employee spends more for meals, for space on Pullmans, for tips for automobile hire, or even for laundry than is the policy of the G. A. O. to allow, the voucher is returned and the amount deducted. There was never any charge of fraud in connection with Mr. Hunter's travel vouchers. It was a matter of judgment. He felt he was entitled to issue vouchers for his secretary, but the Accounting Office held he was not. By the time the decision had been rendered Mr. Hunter had issued many vouchers for his secretary, and that is how the amount totaled over a thousand dollars. The Government was fully reimbursed for every dollar the General Accounting Office disallowed.

You all know me well enough to understand I am not going to condone the act of any official or employee who has defrauded this Government. I am broad, not narrow, and take into consideration the fact, like ourselves, many, many Government officials and employees work overtime and receive no additional compensation. We do not criticize them when they are required to work overtime in order to perform their official duties. Why should we criticize them when they take an afternoon or a day off to see some national event which you and I would also like to attend?

Now, Mr. Chairman, under leave granted me, I include in my remarks part of the testimony of Colonel Harrington and Mr. Hunter before the Appropriations Committee, touching on this subject.

It follows:

Colonel HARRINGTON. Mr. Chairman, during my appearance before the committee on April 8, at the close of the morning session, you asked for my comments upon a statement which you read from the report of your investigators to the effect that "between December 9, 1937, and January 1, 1939, the Deputy Commissioner spent only 56½ days in Washington, his official station, and spent 209½ days of this period in Chicago on a per diem allowance."

The period between the two dates mentioned in the report totals 387 calendar days, and the time reported to be spent in Washington and Chicago totals 266 days. I presume the remaining time was spent elsewhere, and that the committee is not interested in it.

The figures given in the report, which I assume were obtained from our records, are correct.

Our records show that Mr. Howard O. Hunter's initial appointment was with the Federal Emergency Relief Administration on October 1, 1933, with official station in Washington, D. C., and the title of field representative.

On July 1, 1935, Mr. Hunter's official station was changed to Chicago, Ill., in accordance with the following order:

JULY 1, 1935.

MR. HOWARD O. HUNTER,
Washington, D. C.

SIR: Effective on or about July 1, your official headquarters will be Chicago, Ill. This transfer is not for the benefit of the employee but is necessary in the public service.

HARRY L. HOPKINS,
Administrator.

On February 17, 1936, Mr. Hopkins, who was then Works Progress Administrator, appointed Mr. Hunter Assistant Administrator in accordance with the following order:

FEBRUARY 17, 1936.

General Letter No. 1.

To: All State Works Progress Administrators.
Subject: Appointment of Howard O. Hunter as Assistant Administrator.

I have appointed Mr. Howard O. Hunter Assistant Administrator to have charge of relations with States.

HARRY L. HOPKINS,
Administrator.

On March 31, 1936, the following order was issued which changed Mr. Hunter's official station to Washington, D. C., effective April 1, 1936:

MARCH 31, 1936.

HOWARD O. HUNTER,
Chicago, Ill.:

While engaged in work for this Administration in your capacity as Assistant Administrator your official station is changed as indicated below:

From Chicago, Ill., to Washington, D. C. Date effective, April 1, 1936.

HARRY L. HOPKINS,
Administrator.

Mr. Hunter's title and official station remained unchanged thereafter until I appointed him Deputy Administrator of the Works Progress Administration effective February 1, 1939, in accordance with the following order:

JANUARY 18, 1939.

General Letter No. 225.

To: All State administrators.

Subject: Appointment of Deputy Administrator.

I have appointed Mr. Howard O. Hunter as Deputy Administrator for the Works Progress Administration effective February 1, 1939.

F. C. HARRINGTON,
Administrator.

During the period mentioned in the report to the committee, Mr. Hunter was performing the functions of Assistant Administrator and dividing his time between Washington and Chicago. The larger portion of his time during that period was spent in Chicago because he was in charge of 13 Middle Western States in that area in which unemployment conditions at that time were very acute and a large expansion was being made in the Works Progress Administration program to meet this situation.

I am not informed what the inference is in connection with the report upon which I am requested to comment, although I have heard that the implication is that Mr. Hunter was spending time in Chicago on personal business or because that was his home. Mr. Hunter has stated to me in writing that he has no personal business either in Chicago or anywhere else and that at no time has he had a home or property in Chicago. According to his statement, while there not only during this period but previously, he lived in a hotel apartment room rented on a monthly basis.

Furthermore, the question of the official station of any person in the Government service is one for administration determination, and in this case Mr. Hunter's official station was determined by orders which were properly issued by the Administrator of the Works Progress Administration.

All of the expense vouchers which were paid to Mr. Hunter during the period under discussion, as well as at all other times, have been audited by the General Accounting Office, and in the absence of any evidence to the contrary such an audit is conclusive.

On the basis of the information that has been given to me, I fail to see any irregularity or impropriety in connection with Mr. Hunter's presence in Chicago for the period mentioned. If any further comment from me is desired, it will be necessary that I be given additional information upon which to comment.

STATEMENT OF HOWARD O. HUNTER, DEPUTY COMMISSIONER, WORK PROJECTS ADMINISTRATION

MR. HUNTER. Mr. Chairman, I know you are pressed for time, and as this is as much personal as anything I would like to have permission to make only a very brief statement here.

MR. WOODRUM. Yes.

MR. HUNTER. The statements by Colonel Harrington which have been inserted in the record of this committee on the hearings on the W. P. A. appropriation, and statements which have been inserted today into the hearings on the investigation of W. P. A., as to the specific charges which concern my personal activities, and particularly my travel accounts, seem to me adequate. I understand those charges were discussed in the appropriations hearings.

However, since I have been absent from previous discussions in these hearings, and since I have never been previously consulted about any of this by any of the investigators or anyone else, I do want to insert a brief statement because of the following factors:

First, because of the type of language used in the counsel's report to the committee which infers fraud on my part; second, because of the type of questions asked and some of the inferences raised by Mr. TABER in the appropriation hearings; third, because of the fact that this so-called confidential report has already specifically been commented upon by a newspaper columnist and in at least two news stories definitely said to have come from sources close to this committee; and fourth, because I would like to insert in this record what I think are other reasons for this personal attack upon me. I would like to state for the record my great personal appreciation to the chairman of this committee, Mr. WOODRUM, for the recent statement he made on the floor of the House denying the implications of a recent newspaper story which was obviously aimed at me, and also repeating a previous statement of his to the effect that the investigation of the W. P. A. had "not produced anything which would reflect upon the personal character or integrity of any important official of the W. P. A."

There is no question but what the records show that at times the chairman of this committee, as well as other members of the committee, and I have disagreed as to specific items in the administration of the relief program, but it is equally true that these disagreements have never degenerated into the field of personal antagonism or attack.

If there is any necessity or point to it I would be glad to elaborate on Colonel Harrington's statement as to the specific charges which are made in this report. I want to say at this point that at no time during the whole investigation of the W. P. A. has any investigator from this committee called upon me or asked me for any statement.

The specific charges made in this report concern certain items in my travel-expense account. I would like to point out that during this investigation the expense accounts of a large number of officials of the W. P. A. have not only been investigated but have been, in several instances, referred to me for proper explanation, but at no time has any investigator conferred with me in regard to their so-called investigation of my own expense accounts.

I shall point out in a moment why I think I have been singled out as the one "venal" example in the W. P. A. The specific complaints in this report concerning my own activities have been answered by Colonel Harrington. I want to say in addition to Colonel Harrington's statement that during my entire 7 years with the Federal Government I have never been required to report to anyone except the Administrator of the W. P. A. as to my travel, my reasons therefor, or the nature of the official business conducted, and reports have been made to the Administrators, both the previous one and the present one, and whenever I have signed a Government travel order I have definitely been on official Government business and have performed such business. There seems to be the inference, although I do not know exactly what the statement was based on, that in connection with the year 1938 when I spent a considerable amount of time, some two hundred-odd days in Chicago that that was largely because that was supposed to be my home and I had some personal business to attend to and used the facilities of the Government in some way. I have no personal business in Chicago nor elsewhere; I have never had a home there; I have spent over \$7,000 of my own money for purely travel expense.

The fact of the matter is that the year 1938 was the year we had a heavy increase in unemployment in the winter and spring, and I was covering two regions, or about 35 percent of the population of the country, and I personally, under the direction of Mr. Hopkins, directed the employment of a million additional persons on the W. P. A. in the Middle West. This area had at one time 45 percent of the total W. P. A. employment. And, at that time, a great many people gave the W. P. A. credit, to a large extent at least, for stopping unemployment and breaking the recession that was occurring.

However, the point in making any statement at all about this whole business is that I do not think there is any particular charge anyone has made here that was either venal, criminal, or crooked. The proper procedure in the Government when an exception is taken to anybody's expense account is to refer the report to the General Accounting Office, and a conference is had with the person against whom the exception is taken, and if the exception is sustained a bill is presented and a refund demanded.

There is no irregularity in respect to the question about the fact that I went to the Kentucky Derby. I hope it does not cut down the attendance there, Mr. O'NEAL. But the question of whether I went to the Kentucky Derby while I was in Kentucky on Government business is not a "venal" matter. If I went to the Derby, which I did, and somebody wants to raise a question about it, there is yet no crime there.

Now, in view of the fact that some question has been raised about this whole matter by Mr. TABER, I would like permission to insert in the record three particular items about my connection with the W. P. A., which I want to go into the record.

First, because for 7 years I have, with all the energy I possess, fought for adequate relief for the unemployed; I have even made speeches about it. Second, I am identified with the Democratic Party and the New Deal, I think, a little more definitely than any

other official in the W. P. A. in the Washington office. And, third, I have been closely identified for 7 years with the New Deal administration's program for providing decent benefits to unemployed people.

I am very proud of all of these identifications, and I expect to continue to fight for unemployed people.

I do not feel in the least sensitive to attacks on these fronts. There is a clear-cut record on questions of opinion as between me and Mr. TABER on the subject of relief. I believe and will continue to advocate the responsibility of the Federal Government to provide real work for unemployed people. Mr. TABER's record is consistent in voting against any appropriation for this purpose.

However, while a difference of opinion is perfectly understandable and a free discussion of opinion is perfectly American, I do feel a little resentment at an unwarranted attack on my integrity. This, however, is an election year—Republicans must feel some chagrin that this W. P. A. investigation has produced no scandals. It must be incredible to Mr. TABER that a Democratic administration could have spent \$10,000,000,000 for relief and none of it stuck to anybody's fingers.

Finally, I have no apologies to make for anything I have done in my 7 years' service with the Federal Government. My record, administratively and personally, needs no defense. I think that record calls for no apology or defense. However, inferences raised by minor clerks investigating the W. P. A. office and inferences raised by Mr. TABER's questions as to my personal profit out of the W. P. A. are totally unwarranted.

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, reference has just been made to an address in New Orleans on August 23, 1939, by Mr. Howard Hunter. Just to keep the RECORD straight I call attention to page 728 of the W. P. A. investigation hearings from which I quote the following excerpts from Mr. Hunter's speech:

Now, I want to answer Mr. Haas' question as to whether or not this W. P. A. plan (the 18-month provision) was formulated by Colonel Harrington with the approval of the President. The answer is emphatically "no." Such statements which are being broadcast even in mimeographed form are patently untrue.

The written and published testimony of Administrator Harrington was specifically opposed to this and many other provisions of this act. There is no excuse for any person attempting to fool W. P. A. workers or the American people as to responsibility for these provisions.

The particular legislation which Mr. Runyon writes me about simply means that every person who has worked on W. P. A. for 18 months must be fired regardless of need. No one in his right mind would believe that this administration approved such a provision.

Mr. Chairman, the RECORD should also show in this connection that the testimony of Colonel Harrington on January 6, 1939, before the subcommittee in charge of W. P. A. appropriations, on March 15, 1939, before the same subcommittee, and also, I am informed, before the similar Senate committee, at all of which meetings Mr. Hunter is recorded as being present, indicates, as Colonel Harrington confirmed in his testimony this year before your subcommittee, that the provision in question had the approval of the President in principle and the approval of Colonel Harrington as Administrator specifically.

Mr. Chairman, another year has passed and we are once again confronted by the problem of providing adequate relief for those in need. Once again we are face to face with conditions in this country which make that relief necessary.

During the past 7 years we have spent upward of \$65,000,000,000. During the past 5 years we have appropriated for W. P. A. eight and one-half billion dollars. If the appropriation for the next fiscal year is made on the basis of the recommendation now under consideration, the latter figure will amount to \$10,000,000,000.

Yet, Mr. Chairman, we are confronted by the tragic fact that more than 10,000,000 men and women in America are out of employment; that some 4,000,000 of our fellow citizens are on the relief rolls; and that some 4,000,000 between the ages of 18 and 24 are said never to have had a regular job; that America, as of last December, stood No. 20 on the list of 21 nations of the world in terms of industrial recovery.

As 10 national leaders of labor recently expressed it:

We find labor torn into warring camps. We find industry depressed and capital on a strike. We find 10,000,000 of America's workers unemployed. We find youth discontented and age discouraged. We find not only widespread material suffering, but in

every walk of life we find fear for the great intangibles of America; fear for the liberties that Americans have cherished for more than a century and a half.

This is the situation confronting us as the result of policies which we have pursued in recent years—policies, which, in my judgment, have served to deprive millions of our fellow citizens of the opportunity for real employment at real wages under decent working conditions. The situation, in my judgment, is a terrible indictment of those policies. Frankly, I do not anticipate that we shall see anything like fundamental recovery or real reemployment as long as we adhere to them.

Those who are dependent for their existence upon relief are, of course, not responsible for the existing situation or for the policies leading to it. They must be cared for and cared for adequately. The Federal Government must do its full share in this connection. We are all of one mind in this respect.

Where we disagree, Mr. Chairman, is in respect to the method of administering essential relief. The matter of method has become of vital importance. It is of vital importance not only to those in need of relief but to the Nation as a whole. It is unthinkable, in my opinion, that we should continue indefinitely a system of administering relief which has served to deprive the needy people of this country of millions upon millions of dollars appropriated for their benefit, for politics, for graft and corruption, for gross waste, and for other purposes brought to light by the Sheppard committee in the Senate and by the W. P. A. investigating committee in the House.

I confess to a certain sense of discouragement. Some of us have put in a lot of thought and time in connection with the W. P. A. investigation. I, for one, have hoped until recently that as a result of that investigation there would be before this committee at the present time recommendations looking to immediate constructive action, looking to a real contribution to those in need and to the Nation as a whole in this difficult and all-important field of relief.

I only gave up that hope a very few days ago, when, for reasons unstated, a majority of the members of your subcommittee seemed to undergo a change of heart. They had apparently been persuaded that this was not the time to attempt anything constructive; that it was wiser to do nothing; that it was more advisable to apply a coat, however transparent, of the well-known whitewash and let nature take its course.

I want to state, as I have stated on this floor before, that personally I believe the system of administering relief must ultimately be revamped. I believe we must come to a decentralization of our relief system, with proper responsibility, both financial and administrative, in the several States of the Union. Only in this way, in my opinion, can we arrive at a system which is fair to those who are in need of relief and fair to the country as a whole.

Your committee has been informed that the American Federation of Labor in the State of California has recently gone so far as to vote, on or about April 1 I believe, for the abolition of the W. P. A. I hold in my hand a brief editorial appearing in the New York Times under date of April 29, indicating that officials representing the Governors of seven Northeastern States have recently recommended that relief like old-age assistance be administered by the States on the basis of grants-in-aid from the Federal Government and not directly by the Federal Government as at present. Under leave to extend my remarks I insert the editorial in question.

[From the New York Times of April 29, 1940]

REFORM OF RELIEF

Officials representing the governments of seven Northeastern States (Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania) have recommended that relief, like old-age assistance, should be administered by the States on a basis of grants-in-aid from the Federal Government, and not administered directly by the Federal Government as at present. They point out that so personal a service as relief should be kept as close as possible to the people to be served and that, in general, the local unit should administer relief under the supervision of the State and in accordance with such general policy as may be set forth in the Federal law. The logic of the relief situation has long pointed to this

solution. In economy, in flexibility, in adjustability to local needs and conditions, and in the elimination of the more serious dangers of centralized political control, the superiority of this solution to the present relief system can hardly be questioned.

I feel sure we shall come to some such system eventually. If eventually, why not now?

Mr. CELLER. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield for a question.

Mr. CELLER. May I state that I have the highest regard for the gentleman's ideas. I may differ from him at times. But, taking this bill as a whole, why do we say to all laborers throughout the length and breadth of the land that we give you help in this program, and single out just one small group like those in the theatrical profession, the actors and actresses, and proscribe them, put a bar sinister on them, and say, "We are not going to give you any kind of relief." Why do we do that?

Mr. WIGGLESWORTH. The gentleman will have an opportunity to offer an amendment in this connection. He is, of course, well aware of the conditions that developed a year ago, which led to the omission of that type of project from the general program. The judgment of the majority of the committee was against the restoration of the theater project at this time.

Mr. CELLER. I am very eager to get the gentleman's own personal opinion on that. I admire the gentleman's courage and his intellect, but I should like to get his idea on that question. What does the gentleman think of it personally?

Mr. WIGGLESWORTH. I may say to the gentleman that I believe conditions prevailing in the theater project a year ago were disgraceful. I personally have no objection to restoring the project at this time with proper State sponsorship as distinguished from the basis on which it operated a year ago, provided we can be assured that the conditions referred to will be eliminated.

Mr. CELLER. The gentleman recalls that the Actors' Equity Association came before you and said they would be most willing to render their services on a State-sponsored plan.

Mr. WIGGLESWORTH. I know how interested the gentleman is in this particular project. I should like to discuss it with him further. I hope the gentleman will pardon me now, however, as I should like to move on a little.

Mr. Chairman, I want to mention briefly three or four points developed in the hearings on the bill itself as distinguished from the investigation hearings. These hearings served to reemphasize what, in my judgment, are fundamental defects in the operation of W. P. A. These defects have been present in the past. They are present now.

There is, in my opinion, no proper basis for determining the total Federal contribution to relief. There is no proper legal formula for the division of that contribution as between the several States of the Union. As a matter of fact, some States are meeting far more than their share and some States far less than their share of the total national relief burden.

There is no uniform standard for the determination of need. What is more important, there is no proper supervision over sponsors' contributions, inventories, the purchase of supplies and equipment, engineering, expenditure, or other important features of the administration of relief. The hearings emphasize also the great dangers involved in the enormous delegation of power to the President and to the W. P. A. commissioner.

I call the attention of the committee in passing to the number of administrative and supervisory workers on the W. P. A. rolls. W. P. A. tells us that they have some 24,000 workers on their administrative rolls; that their administrative expenditure amounts to about \$53,000,000, or, as they figure it, about 3.7 percent of the funds appropriated.

Under the law enacted a year ago, as you will recall, there is a requirement that W. P. A. file with the Congress at the beginning of every session a list of the names and addresses of all persons on the W. P. A. rolls drawing salaries of \$1,200 or more. If you will consult this list filed at the beginning

of this session as of December 1, 1939, you will find that in addition to the 24,000 workers carried on the administrative rolls there are some 68,000 persons in supervisory positions drawing \$1,200 or more carried on the project rolls of W. P. A. In other words, without counting in supervisory officials drawing less than \$1,200, there is a total of 93,500 persons in administrative or supervisory positions and a total expenditure of about \$172,000,000. If this basis for determining overhead is used, the total represents a percentage of about 11.5 percent instead of 3.7 percent of funds appropriated.

Note also in this connection that the record indicates that workers have been transferred from administrative rolls to project rolls for the purpose of reducing the amount of administrative expenditure. Four thousand two hundred workers were so transferred in one period of 7 months, with an increase in salary for 600 of those transferred.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Briefly.

Mr. VORYS of Ohio. Will the gentleman explain to some of us what he means by transfer from the administrative to the project rolls?

Mr. WIGGLESWORTH. The W. P. A. carries a great many supervisory officials on its administrative rolls. They constitute the so-called administrative staff, and their salaries and other expenses make up the administrative budget. If you go to Ohio, however, for example, you will find carried on project rolls a great many workers who are in fact doing supervisory work, foremen and timekeepers and people of that character, doing sufficiently expert work to receive a salary of \$1,200 or more. To my mind, it gives an entirely false picture of the cost of operating W. P. A. to state that there are only 24,000 on the administrative rolls and that the administrative expenditure is only 3.7 percent of the total.

I call attention in passing to the publicity and propaganda activities of W. P. A. In my judgment, W. P. A. has always been an offender in this field. This year's hearings indicate an expenditure of \$300,000 for the salaries of 150 persons, and in addition an expenditure of \$430,000 for printed matter, radio, movies, and exhibits, or a total of \$735,000. Under leave to extend my remarks I insert at this point a brief table which will elaborate this picture somewhat.

W. P. A. publicity		
Division of Information.....	42 persons.....	\$107,000
Press Release Section.....	12 persons.....	31,820
Field	95 persons.....	165,000
	149 persons.....	303,820
Printed matter.....		128,320
Radio		18,920
Motion pictures.....		1,899
Exhibits:		
World's Fair, New York.....		175,000
World's Fair, New York.....		97,243
Bolling Field.....		9,793
		735,000

Press releases, 276; magazine articles, 480; speeches, 46; newspapers subscribed to, 153; magazines indexed, 799.

I recommend also that the committee note the testimony in respect to travel which appears in the investigation hearings at pages 577 to 605. It appears from the testimony that the travel of various influential members of the W. P. A. staff was materially affected by the attractions of Florida, political rallies, the World Series, and the Kentucky Derby.

Now, Mr. Chairman, I want to pass to the investigation of W. P. A. and to try to give hurriedly a brief picture of the results of that investigation as I see them.

May I at the outset disassociate myself from the committee report filed in this connection? I am not in accord with the lukewarm criticism which that report reflects. I am opposed to any variety of whitewash, however thin you spread it. I think, Mr. Chairman, the facts developed in that investigation speak for themselves. I think they not only

speak, I think they demand both condemnation and immediate constructive action by the Congress.

You will note from the report, and with this statement I agree, that no attempt has been made at a thoroughgoing, Nation-wide investigation. All that your committee has done is to scratch the surface in about 17 States of the Union. No open hearings have been held for about a year.

We have not even been able to hear directly many of the committee investigators. I am told that about 90 percent of the supporting evidence dug up by these investigators has been consigned to the files of the committee, not having been dealt with in any way directly. The committee has been forced to rely upon a summary prepared by counsel in this connection.

Nevertheless, Mr. Chairman, cursory as this investigation has been, it has been adequate to give an idea of what the picture as a whole must be.

The investigation has disclosed incompetence, graft, and corruption; the selling of jobs and promotions; the diversion of relief funds to private use; and ruinous competition, among others, with the building and construction trades of America. Under leave to extend my remarks, I insert in this connection a statement by Mr. John P. Coyne, president of the building and construction trades department of the American Federation of Labor, representing 19 national and international unions, affiliates of the departments whose membership comprises more than 1,100,000 building and construction tradesmen; also a letter of April 18, 1940, from Mr. Edward J. Harding, managing director of the Associated General Contractors of America, enclosing a table showing an estimated 54 percent of the total public-works construction in America taken over by W. P. A.; also a telegram dated April 22, from Mr. F. J. Connolly, manager of the Associated General Contractors of America, referring to the pending W. P. A. construction program in the city of Los Angeles.

STATEMENT OF JOHN P. COYNE, PRESIDENT, BUILDING AND CONSTRUCTION TRADES DEPARTMENT OF THE AMERICAN FEDERATION OF LABOR BEFORE THE SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE OF THE UNITED STATES HOUSE OF REPRESENTATIVES

WASHINGTON, D. C., April 15, 1940.

Gentlemen, I am appearing before you as the president of the building and construction trades department of the American Federation of Labor. In that capacity I represent 19 national and international unions, affiliates of the department, whose membership comprises more than 1,100,000 building and construction tradesmen. These men do the actual work at the job site of building and construction projects, and it is in their behalf and in the interest of the entire industry that I am here this morning to add my voice to the plea that you gentlemen give this industry—second only in size to agriculture—an opportunity to attain the complete recovery which it has been struggling, against great handicaps, to achieve since 1929.

You have just heard the representatives of the Associated General Contractors, and I am sure their testimony has forcefully presented to you the acute problems facing those of us dependent upon this great industry for livelihood, and these are not only those employed at the job site, for each man employed there represents five other persons working in the plant, factory, mill, and on the farm. It is therefore an indisputable fact that when this industry prospers the Nation prospers, and when it suffers the whole Nation is affected.

Before speaking to you specifically of the matter at hand—an appropriation for the continuation of the Work Projects Administration and the manner in which such an appropriation is to be expended—I would like to briefly mention three of the fundamental economic developments which during the past 8 years have affected the industry directly or indirectly and have kept it in a crippled condition. These are:

(1) New governmental restrictions, legislative enactments, unpredictable administrative pronouncements, levying of confiscatory State and Federal taxes, and legal prosecution of competitive practices by new interpretations of old laws.

(2) The fear of capital to invest in private industry, and

(3) the unprecedented, active competition of the Government for building and construction work.

The radical changes represented in the first classification are those which have brought about the present condition of entrenched capital, the desire of banks and industrialists, even the small industrialist, to keep all funds in a "liquid" state. I, for one, have no brief to offer in opposition to this natural reaction to changing governmental, legislative, and judicial policies, but I do hold that this country will never prosper as a free and democratic Nation as long as capital is afraid to assume one of the basic characteristics of any investment, namely, the risk involved.

I need only mention to you the money piled up in financial institutions; the necessity for extreme liquidity, enforced or implied

in the banks by stringent banking regulations; the undistributed profits taxes which penalize any company or corporation which would save for plant expansion or renovation; the inequitable tax structure; the compounding of taxes, local and national, on a fixed asset, such as construction; the certainty of more taxes to pay for the spending program and defense appropriations which the international situation will force the country to make in order to protect our national welfare and safety; and the more recent Department of Justice investigation of the building and construction industry under the antitrust laws, as factors contributing to investment paralysis for you, as legislators and students of finance, know more about these things than I. But to me they mean that potential millions of dollars for construction work are unemployed, and as a result this basic building and construction industry is helpless to fight its way back to normalcy.

And now, for the past 5 years, in an ever-increasing degree we are faced with yet the most serious threat of all—competition of the Federal Government of the United States for the work upon which the contractors of the Nation ordinarily would bid and upon which we as workers would be employed by the contractors. The whole future of the building and construction industry is threatened if such a move should be successful. I cannot impress upon you gentlemen too emphatically the real, far-reaching effect of such competition. It even threatens in a vital and fundamental way the very democracy of our country. This perhaps has, to date, been the most drastic and bold thrust of this administration to socialize any industry.

You are not to interpret my remarks as condemnation of a constructive work-relief program to aid in the solution of the unemployment problem of our Nation, but such a program should aid the solution of this problem and not merely transfer unemployment from one class of workers to another, particularly when the one group of workers are specially trained for the work requirements of a particular industry. I say such a work-relief program should be confined to work in such fields where the members of the unemployed ranks are already qualified for performance. This program should not turn to the field of activity of any particular industry when seeking work opportunities. And this is even more true when the industry is the basic industrial field of the Nation and one as highly organized, both in management, the contractors, and in labor, the building and construction trades-unions.

If it seems to you that I am unduly alarmed at this situation, let me quote you a paragraph from a Works Progress Administration news release dated April 9, 1939, which dealt with a report of the work completed from the start of the program in July 1935, through June 30, 1938: "Construction projects have made up the bulk of the W. P. A. program from the start and at the present account for more than 80 percent of W. P. A. employment. * * * The largest part of construction has been in highway, road, and street building and repair. Forty-five percent of all W. P. A. workers are engaged on this type of work." The report also contains a list as follows of the W. P. A. contributions to the public facilities of the Nation:

"Seventeen thousand six hundred new public buildings for cities, counties, and States; repairs and improvements to 46,300 and additions to 1,700.

"Two hundred eighty thousand miles of highways, roads, and streets constructed or repaired.

"Twenty-nine thousand one hundred new bridges and 23,400 repaired or improved.

"Twenty-six thousand seven hundred new dams for conservation purposes; 4,100 new storage dams.

"Six thousand one hundred miles of new water mains, aqueducts, and distribution lines.

"Eight thousand nine hundred miles of new storm and sanitary sewers.

"One thousand eight hundred new athletic fields, 1,500 improved; 1,100 new parks, 4,200 improved or enlarged; 1,600 new playgrounds, 5,000 improved.

"Eight thousand seven hundred miles of new and 5,000 miles of improved ditches for mosquito control; 11,500 miles of other types of ditches excavated or improved, exclusive of roadside drainage in connection with road projects."

Now I contend that this record is amazing when one considers that it is the report of an agency originally created and intended to be a purely temporary and emergency relief bureau to act as a stop-gap for the lack of private employment. You may well say, in argument, that the unemployment problem is today as acute as in 1933 and that such work must continue to be provided for the unemployed since industry has not taken up enough of the slack to warrant a curtailment in the Federal work-relief program.

And I will agree that the unemployment problem is as acute as in 1933, and refer you to the three fundamental economic developments set out previously in this statement as the reason why industry has not taken up this slack—has not taken it up because it has not dared to take it up—and would further comment that it is a sad commentary on the conduct of a nation that a country as rich in natural resources, raw materials, and capital as is ours must admit that it has so mishandled any particular problem, as the problem of unemployment in this country has been mishandled. But such a situation is no argument for the "carrying of coals to Newcastle" by continuing the present obviously unsuccessful program by another large appropriation to be administered in the same manner as previous ones.

I submit to you, therefore, that if the Work Projects Administration must do construction work that all such work be let by contract after competitive bidding, and that if the Federal Government

must enter into competition with private industry it should at least play the game according to the well established competitive practices of the industry. In this way the contractors of the industry would be given an opportunity to do work which has been completely snatched from them, and it will enable the building and construction tradesmen to obtain work for which they are trained by years of experience and which has been denied them in favor of other workers from other industries who have not been reemployed in their usual line of work.

I also claim that the restriction against the payment of the prevailing rate of wages should be stricken from the act in this year's appropriation bill. This, too, is only in line with fair competitive methods which should be observed by the Government when competing for or supplementing private business. The economic theory about which we have heard so much since 1929—that the consumer's buying power must be increased and the national wealth more widely distributed—is certainly the strongest argument I can submit for the return of the provision for the payment of the prevailing rate of wages on Federal work-relief programs. It is obvious that the greater one's earnings the greater one's purchasing power which in turn benefits every industry in the country.

In conclusion, I wish to thank your committee for the opportunity of appearing before you and to urge your earnest and intent consideration of the basic problems and future effects in-

involved in the appropriation you are today considering and in the manner in which you provide that it shall be administered.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.,
Washington, D. C., April 18, 1940.

HON. RICHARD B. WIGGLESWORTH,

House of Representatives, Washington, D. C.

DEAR CONGRESSMAN WIGGLESWORTH: We complied with the request you made during the hearing on April 15 before the subcommittee of the Appropriations Committee of the House, and have inserted in the record a comparison of total public works, work-relief public works, and nonrelief public works, showing the percentage of work relief to total public work.

A copy of that insertion is hereto attached, so that you may obtain the information directly, without waiting to study the record.

Sincerely yours,

EDW. J. HARDING,
Managing Director.

[For insertion in the transcript of the hearing before the subcommittee of the Appropriations Committee of the House on appropriations for the Work Projects Administration, April 15, 1940]

Information requested by Congressman RICHARD B. WIGGLESWORTH is herewith transmitted for insertion in the record.

The tabulation shows a comparison of the nonrelief public works with the total work-relief construction for the various years.

Public-works construction
[Millions of dollars]

	Average 1926-29	Calendar years								Estimate with Budget appropriations
		1932	1933	1934	1935	1936	1937	1938	1939	
Total nonrelief public works.....	2,339	1,794	1,216	1,459	1,403	1,801	1,698	1,688	2,168	1,111
Total work relief, including sponsors' share.....			114	578	431	1,383	1,091	1,671	1,474	1,290
Total public work including work relief.....	2,339	1,794	1,330	2,037	1,834	3,184	2,789	3,359	3,642	2,401
Percent work relief to total public work.....			8½	28½	23½	43½	39	44	40½	54

It should be noted that there is a marked increased percentage of work relief in the year 1938 when P. W. A. funds were depleted a decrease in 1939 when a P. W. A. program was again restored, and a very marked increase is predicted for the coming year.

LOS ANGELES, CALIF., April 22, 1940.

HON. RICHARD B. WIGGLESWORTH,

House Office Building, Washington, D. C.

Upon returning from Washington today discovered that during my absence the city of Los Angeles prepared new W. P. A. program totaling \$10,447,500, covering various individual construction projects, largest costing \$3,600,000. This ceases to be a relief program and now amounts to almost complete transfer of ordinary Los Angeles city construction work to the Federal Government via W. P. A. Request your committee correct this situation by limiting size of all W. P. A. construction projects to a reasonable sum. We are eagerly awaiting bill recommended by your committee, because we shall have to curtail operations unless W. P. A. competition is controlled.

F. J. CONNOLLY,
Manager, Associated General Contractors.

The investigation, Mr. Chairman, has also disclosed other matters of importance. It has disclosed the existence of subversive forces within W. P. A. It has disclosed the use of relief funds for political purposes, notably in connection with the national elections of 1936 and 1938. It has disclosed conditions in a number of States of the Union which can be fairly characterized as scandalous. It has disclosed conditions in other States which are without any possible justification. It has disclosed an inadequate system of dealing with employees leading to the widespread conviction among employees of W. P. A. that to report irregularities is to invite discipline, if not dismissal. It has disclosed also the charge that records have been destroyed or so poorly maintained as to handicap the work of your committee investigators. These and other matters you will find in the investigation hearings which you have before you.

Mr. Chairman, last year I spoke somewhat of the subversive forces at that time in or near to W. P. A. The committee will recall the testimony in regard to the Workers Alliance, an official bargaining agency for those on relief, and the extent to which it indicated that that organization was subject to communistic leadership. The testimony indicated that 15 out of 23 members of the National Executive Board, 22 out of 27 members of the board controlling Greater New York, 17 out of 21 members of the board in New York City, 25 out of

25 members of the board in Harlem, and an estimated 80 percent of the State officials in Pennsylvania were known or admitted members of the Communist Party. The Workers Alliance has informed your committee that one change has been made in the national executive board, Mr. Herbert Benjamin, a Communist of long standing, having retired in favor of Mr. Frank Ingram.

The record of a year ago also indicated un-American activity in connection with the adult-education projects, in connection with the theater projects under Hallie Flanagan, in connection with the writer projects under Henry G. Alsberg. It indicated with respect to the writers' project in New York that 13 of a list of 20 supervisory officials were positively identified as known or admitted members of the Communist Party; that 80 percent of those on the rolls of this project had had no previous writer experience; that 75 percent of those on the rolls were believed to belong to the Communist Party.

The situation must have been considered serious for we are advised now by Colonel Somervell that a new system of supervision has been installed for this project, that Henry G. Alsberg was dismissed recently, and 79 others on this project have been laid off recently, including 11 of the 13 supervisory officials identified as Communists, and that Hallie Flanagan is no longer in our midst.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the distinguished gentleman from Pennsylvania.

Mr. DITTER. I think the gentleman has left some uncertainty in the minds of some of us as to who Hallie is, and probably some of the younger Members of the House, particularly, might appreciate just a bit of explanation and elaboration of the glamor of Hallie and her contribution to the welfare of the country.

Mr. WIGGLESWORTH. I am sure the able gentleman from Pennsylvania could deal with glamor much better than I. I may say that Hallie Flanagan was in charge of the theater projects a year ago in respect to which such a disgraceful situation developed that it led the Congress as a whole to terminate that type of relief project.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. WIGGLESWORTH. Mr. Chairman, there is further evidence in the investigation hearings conducted since last year of subversive activity in connection with the W. P. A. It will be found, for instance, in the hearings in connection with the Federal writers' project in southern California, a project that has been described as a training school for Communists. Under leave to extend my remarks I insert at this point a brief excerpt from counsel's report which deals with this project.

[Extract from counsel's report, Federal Writers' Project, southern California]

Evidence of communism in this project was obtained. This project has been described as a training school for Communists. One project worker, Lillian Jones, denied being a member of that party but admitted authorship of an article entitled "What the Soviet Union Means to Humanity," which article extols the advantages of Russia and suggests that what was done in Russia can be done here. This employee was formerly employed on an allegedly Communist publication entitled "The People's World," at Los Angeles, Calif. Few if any of the workers on this project were employed as writers before their employment on the project. As of the date of this investigation a sum total of \$220,514.47 had been spent on this project by the Federal Government in southern California. There have been no sponsor's contributions. Complaints alleging communism on this project were sent to Washington in May 1939, and nothing was done about such complaints up until the time this investigation was being conducted.

Further evidence will be found of un-American activities in New York City in connection with the county archives project, in connection with the writers project, in connection with the art project, and elsewhere.

A charge of communistic activities was leveled last autumn at the adult-education project in the District of Columbia. It is stated that the charges were not sustained. It appears, however, that the charges resulted in a change of supervisors, and several resignations, including that of Mr. Henry Lipman, who was then employed as a teacher on the project, and in a general reorganization of the project.

Further evidence has come to light through the efforts of the Dies committee in respect to certain witnesses that have appeared before that committee recently. To take one example, there is that of Mr. James B. Dolsen, until recently an instructor on the adult-education program at \$94 a month. Mr. Dolsen, it developed, has been a Communist since the inception of the party here in America. He has worked in the interests of the party here; he has been sent to Russia on at least one occasion by the American Communist Party; and he has a record of three or four arrests and two indictments. He is no longer employed as an instructor on the adult-education project.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. HOFFMAN. Was he dismissed or did he resign?

Mr. WIGGLESWORTH. The record indicates that he left the project on August 28, 1939, due to the 18 months' continuous employment provision.

In this general connection, Mr. Chairman, I may make one further observation. Section 17 (b) of the law enacted a year ago provides, it will be recalled, that no part of the appropriation shall be used to pay any compensation to any person who advocates or who is a member of any organization that advocates the overthrow of the Government of the United States through force or violence. If the members of the committee will refer to page 685 of the hearings on the pending bill, they will observe a statement by Colonel Harrington to the effect that he personally does not know of any organization in this country at this time that advocates the overthrow of the Government.

Mr. Chairman, I pass briefly over conditions developed in a number of States which, to my mind, can only be fairly characterized as scandalous. The worst situation developed is the situation in the State of Louisiana. That situation will be dealt with in some detail by the able gentleman from Illinois [Mr. DIRKSEN]. He, I am sure, will give you a clear picture of the situation as a whole. It is, in my judgment, a picture without justification. Incidentally, it

ties in with the scandal in connection with the Louisiana State University, where W. P. A. had expended over two million dollars, as a result of which it will be recalled several sponsors' representatives pleaded guilty to 36 counts, being sentenced to imprisonment for periods of 4 years, and in connection with which Mr. Mark L. Monget, a W. P. A. project superintendent, was dismissed.

Colonel Harrington admits that he has not been satisfied with the situation in New Orleans. In fact, he goes further and states that it has been necessary to take "drastic steps to improve the situation." These steps, Mr. Chairman, as the record will indicate, have included the dismissal of Mr. Randall B. Fowler, State director of operation.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. FERNANDEZ. Mr. Fowler was not dismissed. The record will show he resigned.

Mr. WIGGLESWORTH. If the gentleman says this is so, I will modify my statement. I will strike out "dismissal" and insert "departure."

The "drastic steps" have also included the release of Mr. George P. Blanchin, area engineer, for failure to report irregularities; the release of Mr. Edmond L. Farrell, another area engineer, for inefficiency; the release of J. Gilbert Scheib, district engineer, whose conduct is reported by Colonel Harrington as "highly unsatisfactory"; the release of 39 others of the more-important supervisory officials whose names will be found at page 361 of the investigation hearings; the reorganization of the operations division and district offices; and the employment of more-experienced and qualified engineers. Colonel Harrington advises that the end is not yet.

Another bad spot was found in the State of Indiana. This situation will be dealt with in some detail by the distinguished gentleman from California [Mr. CARTER].

In addition to the evidence appearing in the hearings which are before you, it is my understanding that evidence secured by committee investigators, in conjunction with evidence secured by United States District Attorney Nolan, has resulted in five criminal actions, Mr. Carl Kortepeter, former district W. P. A. director, being involved in each of the criminal actions, and having been sentenced, subject to appeal, to imprisonment for 18 months and a fine of \$1,000.

I am informed that indictments have issued in each of the five cases; that the amount involved runs into the hundreds of thousands of dollars, and that a sixth case growing out of evidence similarly developed has not yet been presented to the grand jury.

Under leave to extend my remarks I insert a brief statement at this point further elaborating this situation.

STATEMENT CONCERNING CRIMINAL PROSECUTIONS IN INDIANA

I am advised by one of the committee investigators—

That information discovered in the course of the committee investigation was turned over to United States District Attorney Nolan for consideration and action.

That this information, in conjunction with other evidence obtained by the district attorney, has led to the presentation of five cases to the appropriate grand jury, indictments having been returned in all five cases, a conviction subject to appeal having been obtained in one of the five.

That former W. P. A. district director, Carl Kortepeter, was involved in each case and that he has been sentenced, subject to appeal, to 18 months' imprisonment and a fine of \$1,000.

That all five cases were based on conspiracy to divert funds to private use—to the use of one Arthur V. Brown to the extent, directly or indirectly, of about \$200,000; to the use of one Gurney Derbyshire, father-in-law of Kortepeter, to the extent of some \$10,000—that Kortepeter received funds for a year or more at the rate of \$2,400 a year from the Marion County Flood Control Board, a sponsor, while on the rolls of W. P. A.

The names of the defendants in these five criminal cases, the amounts involved and the extent to which they are said to have benefited, will be found in the files of the committee.

It is understood that a sixth criminal case, growing out of evidence similarly produced, has not yet been presented to the grand jury.

The prominence of the defendants in question is said to have led to attempts to postpone action both in Indiana and in Washington.

According to the testimony of District Attorney Nolan in connection with a request for postponement of hearing on pleas in abatement, Mr. Nolan, as I understand it, received a request from the

Attorney General's office in Washington, through counsel for the defendant (not in writing), to come to Washington for a pre-grand-jury conference. Mr. Nolan is said to have declined, stating that he would take a similar position in response to a written request.

Hearings on pleas in abatement are said to have been set for March 25, 1940. Early in March, I am informed, Mr. Nolan received a wire from Mr. Rogge, Assistant Attorney General in charge of the Criminal Division of the Department of Justice, suggesting a Washington conference on or about March 25. Mr. Nolan is said to have replied that he was busy in court, suggesting postponement on the conference until early in April in connection with a regular meeting of United States attorneys. Mr. Rogge is said to have wired approval, provided the hearing in question did not take place before the meeting in Washington. Mr. Nolan is said to have replied that the hearing was set for March 25, whereupon he is said to have been instructed by Mr. Rogge to request postponement.

Hearing was accordingly postponed until April 22, I am informed, and again until May 20, due to the illness of the presiding judge. I am told that trial on the merits will probably be thrown over to the fall term.

Attention is directed to the alleged efforts by the Attorney General's office in Washington to prevent the cases from being brought to trial.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. HOFFMAN. You say you will put a statement into the RECORD with reference to the Attorney General's office?

Mr. WIGGLESWORTH. I am inserting a brief statement in the RECORD which will summarize the statement given me, which appears to indicate efforts on the part of the Attorney General's office to postpone or prevent the cases from coming to trial.

Mr. HOFFMAN. Who was the Attorney General, if I may ask?

Mr. WIGGLESWORTH. I believe the Assistant Attorney General in charge of the Criminal Division here is Mr. Rogge.

Mr. HOFFMAN. But who was the Attorney General at that time? I did not catch the date.

Mr. WIGGLESWORTH. The action in question appears to have taken place early in the present calendar year.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. VOORHIS of California. Does the gentleman mean that he has evidence of the fact that the Department of Justice did not prosecute a case that it should have prosecuted, or that there is an assumption or suspicion of something like that?

Mr. WIGGLESWORTH. The statement of an investigator for the committee is to the effect that telegrams and messages were exchanged between Mr. Rogge and United States District Attorney Nolan, in Indiana, indicating that the Attorney General's office was apparently anxious to postpone or prevent the cases from coming to trial. I think the statement will explain the situation.

Mr. VOORHIS of California. I would like to urge the gentleman, in view of the fact that he has gone as far as he has, that it should be very definitely determined, and that everything about it should be put in. I think the Department of Justice is entitled to a specific proposition on this.

Mr. WIGGLESWORTH. I will give, for the RECORD, exactly what the information furnished is.

Mr. Chairman, a third bad spot is to be found in Puerto Rico. This situation will be dealt with in some detail by the able gentleman from Michigan [Mr. CRAWFORD]. I may point out, in passing, that Uncle Sam has poured some \$161,000,000 into Puerto Rico, that \$66,000,000 of it has gone in through the Puerto Rico Reconstruction Administration and that a large part of the money expended by the latter seems to have been spent without much reference to legality, reasonable cost, or anything that may be properly termed a real relief program.

I may point out also that Mr. Fairbank, Assistant Administrator of the Puerto Rico Reconstruction Administration, is said to have told the Ways and Means Committee of this House about a year ago that part of the program down there was—

A sort of communal institution such as they have used in Russia.

I confess, on the state of the record before your subcommittee, that the situation in Puerto Rico warrants, in my judgment, further and thoroughgoing investigation by an appropriate committee of this House.

Further conditions scandalous or unjustifiable will be found in the record in respect to Tennessee, Kentucky, Florida, Washington, southern California, Pennsylvania, and New York. These States will be dealt with subsequently by other Members of this House.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman I yield 6 additional minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I want to refer briefly to the investigation made by the General Accounting Office, of the files of the Division of Investigations, of the W. P. A. here in the Washington office. Almost 9,000 cases have been investigated by that Division and the record shows that more than one-half of the complaints in these cases have been substantiated.

I call attention particularly to the testimony of Capt. Thomas C. Elder, one of the representatives of the General Accounting Office, who made this investigation. Captain Elder has had the rank of senior investigator in various branches of this Government for 37 years. He has held that position with the General Accounting Office for 18 years. He told the committee that in the course of his work he had inspected nearly every fiscal office in the United States. I quote, for the benefit of the committee, certain excerpts from his testimony:

I would say without hesitation that the W. P. A. is the rottenest organization with which I have ever come in contact.

It is a strong term, but it expresses exactly what I mean.

It has the greatest percentage of irregularities of which I have knowledge.

Types of irregularities which are so flagrant and easily perceptible that they should have been prevented.

I do not mean to imply that W. P. A. has a monopoly on rottenness. I say it has the most rottenness with which I have had experience.

The General Accounting Office gave us a cross-section picture of the files of the W. P. A. Division of Investigations here in Washington. It gave us 11 classes of irregularities based on its investigation. The classes of irregularities mentioned are as follows: Administrative personnel on project rolls; collusion in project approval; dual compensation; diversion of equipment, material, and labor to private use; diversion of material from project to project; padded pay rolls; padded vouchers; property lost, stolen, or diverted; the sale of jobs and promotions; shortage in accounts; theater projects.

If this is not sufficient I refer the members of the committee to the final pages of the counsel's report where there are some 35 other types of irregularities classified.

The General Accounting Office also pointed out that the W. P. A. has failed to report to the General Accounting Office irregularities of this character which it is supposed to report. It further appears from the record that W. P. A. has succeeded to a very minor extent in securing restitution or in bringing about prosecutions.

Mr. Chairman, the investigation has served to bring to light the disgraceful conditions which have prevailed in the administration of relief under W. P. A. It has served in my judgment to emphasize the need of immediate change in the method of administering relief in the interest of our needy people and of the Nation as a whole.

I conclude, Mr. Chairman, with the hope that some day, somehow, we may succeed in putting our system of relief on a self-respecting basis; that some day, somehow, we may succeed in putting it on a basis which will be both humane and efficient, which will assure to the needy the maximum number of cents in every dollar appropriated for their relief,

which will be fair not only to the needy but to the Nation as a whole.

I add, Mr. Chairman, the further hope that some day, somehow, we may succeed in returning to policies which will extend a helping hand to legitimate enterprise throughout the length and breadth of this Nation, which will put America back to work, which will relieve this Congress and the Nation as a whole of the terrible specter of suffering and the need of relief by which in recent years we have been continuously confronted. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. BURDICK] such time as he may desire.

Mr. BURDICK. Mr. Chairman, most Members of Congress wonder how we can raise the money to finance more national defense. Our debt limit of \$45,000,000,000 is about reached. We need \$1,000,000,000 for extra national defense. How can we raise it other than in two ways—increase the debt limit or levy more taxes? I say we do not have to do either and should not do either. We should finance this defense program on a plan where the interest shark is entirely eliminated, for in a time like this those enemies of the people who insist upon reaping their harvest of interest from a forced defense program should be immediately locked up and kept under guard until the peace of the world is restored.

If we want \$2,000,000,000, why do not we use our own money without interest, instead of borrowing this two billion from someone who does not have the money and paying interest for the use of money that the lender does not have? That sounds ridiculous, but no more so than the actual situation suggests. Our whole national-debt structure is just as ridiculous. The interest which the people of this country pay annually on this debt, which never should have been financed by bonds, is over one and one-half billion dollars annually. This sum would be all the extra defense money we need at this time—and is more than the President asks for.

Is there any person in the United States, outside of the violent wards of our asylums, who can advance one single reason why we should furnish credit free of charge and borrow this same credit and pay this middleman an interest charge for the next half-century for merely receiving our credit and then immediately handing back that credit to the United States? It was Government credit all the time. The lender did not have the credit to loan us; it was our own credit. In other words, we actually borrow from ourselves and pay interest on what we borrow to a middleman, who does nothing for the public good but everything for the public's ruin.

Men in Congress are no different from men outside of Congress. If Congressmen and Senators understood this situation, the sleight-of-hand performance in Government loans would stop today. We would issue Treasury notes to the amount of our defense fund and let that currency circulate. No one would ever have to pay a cent of interest now or any other time. When we got around to redeem that note, we would only have the face of the note. I want to show you how this worked out through our own experience.

Apparently Congressmen shut their eyes to the history of the past, for right now—this minute—before us is being demonstrated the use of direct public credit. In this experiment the interest shark is eliminated, and the money is perfectly good. This experiment has been in operation 77 years, and still you will find too many Congressmen who will say, "We cannot issue money directly on the Nation's credit." My opinion is that any such conclusion is based either on ignorance or dishonest thinking. It would be hard to prove the excuse of ignorance. It must fall in the latter class.

Let us look at the record. In 1862 and 1863 Lincoln issued \$450,000,000 of Treasury notes bearing no interest and backed only by the name of the United States. This money was not redeemable in gold or silver or cowhides or anything else—just the name of the Government. Today \$267,000,000 of this Lincoln money is still circulating and has circulated for 77 years, and here is one of the bills in my hand. Take a look at it. Everyone of you probably has some of this money in your pocket right now.

Suppose Lincoln had obtained this money as we do today, what would have happened? We would have issued bonds, sold the bonds to someone who had no money, and allowed the same identical bonds to be deposited with the Treasurer of the United States as security—but our property all the time—and upon that security we would issue new bills to the extent of 100 percent of the security and deliver this new money free of charge to the man who bought our bonds but who had no money of his own. He obtains this new money—on our own credit—and then is kind enough to loan that money to us who issued it in the first place. The middleman is a nice man—patriotic and all that, and for his niceness we let him collect interest on these bonds; we do more than that; we collect it for him; and he gets all the interest for as many years as the bonds run for his patriotic service to the country.

If the Lincoln money had been issued that way and we were called upon to pay the debt today the \$450,000,000 at simple interest of 3 percent—which is less than the average rate during that period—the debt today would amount to \$1,350,000,000. The simple interest—which the interest shark did not get—amounts to \$1,350,000,000, or more than enough to pay for the present program of national defense which the President asks for. But that is not all of the picture; since the interest on the bonds—our way of issuing money—is payable every year, and since we would have to borrow more money—in the same way—to pay the annual interest, we run into a compound-interest situation, so that the Lincoln currency of \$450,000,000, if now retired, it would actually cost us \$4,382,065,215, or four times the amount the President now asks for further national defense.

As slow as we are to act in this Congress, it seems to me that this experiment of ours right before us for 77 years should finally register on whatever brains we possess and by sheer power of illustration repeated and repeated for 77 years we should some time finally decide that Lincoln's program of issuing money was good for the people. If there ever was a time when we should strive to think, even though we are not in the habit, it is now, when the whole world is turned loose to destroy the civilization of the centuries.

On many occasions on the floor of this House I have called attention to the fact that a battleship is about the most useless piece of war machinery in existence. I have pointed out that in the last war only 5 of our 45 major ships ever saw service—and those with the British Navy. The other 40 were kept in Virginia. The present war has demonstrated that a battleship in modern warfare has no strategic value. England has the largest navy of any country in the world, and it is powerless against submarines and aircraft and bombs. Do you suppose we can be free from prejudice long enough to see facts as they are? In preparing our further defense let us profit by the experience of Europe and build those engines of defense that will click when the time comes to make use of them. We have battleships enough, but we are lamentably weak on a few things which constitute an adequate defense for America. I shall try to name the weak spots as they appear in importance:

First. If we stay out of war we must make plans to do business with the Americas and quit all transactions with Europe. War will follow our business in Europe just as surely as there is a sun in the heavens. My forefathers and yours left Europe centuries ago because of almost continuous warfare. We got away from it once; why can we not keep away? The cold facts are that if we did get into this war and peace finally came it would be a peace just like the last one—one that imposed unbearable terms on the vanquished. Those suffering under such terms learn how to bear their punishment and arm for revenge. That is what is happening in Europe now. If we entered into such a war it would settle nothing in Europe and would pauperize this Nation. I would say, therefore, the first act of defense is to formulate a policy of quitting Europe in all that the term "quit" implies and confine our relationships with countries who do not fear each other—like the Republics of Central and South America.

Second. We must put our own house in order. We cannot say we are prepared for defense with 60,000,000 people in

the United States in some form of distress. People out of work must have work. Homes that are being foreclosed must be protected. Those without homes must be put back in homes. The interest sharks of the United States must be driven out of legitimate business. Interest, interest, the greatest enemy of mankind. It reaps its harvest of the distress of the people. Its result is to bring more distress and make the people more and more helpless.

Third. We need more ships of the air. Better ships, armored ships, and ships equipped and manned for any service. We can have it without any trouble and without mulching the people in taxes. We can have it by following Lincoln in his plan of issuing money.

Fourth. We need more and better submarines, better equipment, and more ably manned. We need submarines that, when they dive, will come up and not stay at the bottom of the ocean. We can have them. Follow Lincoln.

Fifth. We need trained soldiers. Our present standing Army in the United States is not as big as the police force in this country. That is ridiculous. We must either increase the Army or cut down the police force, for it would never do to have meddling powers know the Army of the United States was outnumbered by the policemen armed with clubs. We can have this. We can train 1,000,000 men who have nothing else to do. We can follow Lincoln.

Sixth. Let me repeat No. 2. It is all important. Food will, as it always has, win every major war. Let us reestablish abandoned farms, put the farmer and his family who has been driven off the farm back on the farm, and cut out the interest. Let the farmer buy his farm back without interest, and let him use the results of his toil for a more noble purpose than that of feeding the unnecessary middleman—the interest shark. We can do this, and do it easily. Follow the plan of Lincoln. Unless we can do this and reestablish these food factories and keep them going, we are vulnerable in two respects: First, in the discontent of millions who have been dispossessed. Second, in the loss of food factories, which we must have should we be attacked.

Let me observe that when the war broke out in Europe it was the knowledge that food was the all-important factor that has brought about such savage brutality. All nations know that fact. England relied upon it to starve out Germany. Germany was afraid of that also, as that is what happened to her in the World War. Germany is desperate now for food and is striking savagely. She is putting on all the power she has. If she can win in a short time, her purpose is served. If she has not the power to do it quickly, she is defeated more abjectly than she was before. She may have the greatest fighting machine in the world, yet if she cannot get food for her people she must fail. Her wanton invasion of peaceful countries was done on account of food, and nothing else.

We can prepare to be self-sufficient by keeping up our food factories, and we shall not have to violate any principles of international law and humanity in completely defending ourselves. We can do it all if we will follow the example set by Lincoln in financing our defense by the issuance of greenbacks, drawing no interest, simple or compound, and using the credit of this great Republic for all the people instead of fattening a few on the criminal tolls of interest.

Let us use the Nation's greenbacks to put the idle to work and end distress and relief, and properly defend this country in case of invasion.

Mr. CANNON of Missouri. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. LUDLOW], a member of the committee.

Mr. LUDLOW. Mr. Chairman, the gentleman from New York in his address this afternoon referred to the travel account of the Indiana State administrator, Mr. Jennings, and I understand that other gentlemen, including the gentleman from California, will probably refer to this matter in their addresses to be made later. I think in a spirit of fairness that Mr. Jennings' side also should be told. He has given a very complete explanation of his travel expenses in a letter to Colonel Harrington, which appears in

the hearings at page 696, and in his answers to the W. P. A. investigator who went into the State of Indiana.

Mr. Chairman, I ask unanimous consent that these documents may be printed in the RECORD at this point.

The CHAIRMAN. The gentleman, of course, can in the Committee of the Whole get permission to extend his own remarks, but to include extraneous matter in his remarks he must secure permission from the House.

Mr. LUDLOW. The Chair is correct. I want to include a letter from the Indiana State administrator and also some testimony he submitted to the W. P. A. investigator.

The CHAIRMAN. The gentleman will have to secure permission of the House for that part of his extension of remarks.

Mr. LUDLOW. Mr. Chairman, I will secure that permission in the House. I ask unanimous consent at this point that the gentleman from Virginia [Mr. WOODRUM] may have permission to revise and extend the remarks which he made in the Committee of the Whole this afternoon.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

Mr. TABER. Mr. Chairman, I yield to the gentleman from Maine [Mr. BREWSTER] such time as he may desire.

Mr. BREWSTER. Mr. Chairman, as America prepared to meet the menace of mechanized modern warfare, Maine may properly point out that, in some measure, it has been a modern pioneer in mechanical training for our youth.

Mechanically trained youth are going to fill our shops and shipyards and to man our mechanized defense on land and sea, and in the air. Here America, with all its great traditions of mechanical skill and inventive genius, is tragically deficient.

Six months ago this critical situation was pointed out in a speech delivered by me at a meeting of the model government league of the National Youth Administration school at Quoddy Village, where 400 youth from New England and New York are being given mechanical training.

It may surprise many to learn that the Government plant at Quoddy is being put to so practical a use. While tidal power is not operating, except in the model unit at the World's Fair, the facilities at Eastport are being used to very excellent effect to train manpower. "The stone which the builders rejected may yet become the head of the corner."

The speech which I delivered on October 5, 1939, at Eastport seems so timely in view of recent events that I venture to insert it at this point. My immediate inspiration was the invasion of Poland, but later events have made its lesson even clearer.

Twenty years without apprentices have tremendously weakened the industrial backbone of America in this era of increasing mechanization. Stop and think how many boys in any town in Maine have learned a trade in the last two decades.

The shipyard at Bath and the navy yard at Kittery are now a market for all the competent mechanics we can produce. Bath has prudently undertaken to train boys with an industrial background to supply its needs. On my desk is a call from Boston for boys with 4 years of mechanical training.

Suddenly the world realizes that all defense is now mechanized—on the sea, in the air, and, as poor Poland shows, on the land.

The automobile-assembly lines and prefabricated houses seemed at first to indicate the day of the skilled artisan had passed. Now peace, as well as war, evidently requires more and more industrial skill.

The Poles were as helpless before the mechanized divisions of the German Army as the Mexicans before Cortez.

As America moves this winter into a program of more adequate preparedness on land and sea and air, the first shortage will be found in all the trained mechanics that are required to make the modern military machine anything but a sorry joke. A sandlot ball team might as well try to play the Yankees as to pit the heroes of Bunker Hill against a modern tank.

Today at Quoddy 400 boys are determining their preliminary aptitude for industrial training. At Dexter 100 N. Y. A. boys, drawn from all over Maine, are working alongside 150 mechanics in the foundry, at the lathes, and in the drafting rooms. From these schools must be recruited the boys that Maine will soon very urgently require to supply the demand for artisans in shops and field as American preparedness for peace or war gets fully under way.

The Boston Post, in a recent editorial, had this to say regarding training mechanics:

Industrial conditions of the last two decades, coupled with the desire of young men for "white collar" jobs, have served to reduce

the number of young mechanics in the United States to a marked degree. With industry geared up to high speed, the need is becoming a glaring one. In stressing the necessity for training apprentices for skill in the mechanical trades, Representative RALPH O. BREWSTER, of Maine, has declared that the industrial backbone of America has been weakened because of the years in which boys have not been in training. "Stop and think how many boys in any town in Maine have learned a trade in the last two decades," he suggested. A definite trend from white collars to overalls should be at hand.

Congress and the country are going to be shocked to discover that probably 90 percent of our mechanics are beyond the age of effective military service, yet national defense obviously required that our entire defensive program must be mechanized on the land and on the sea and in the air. We would be almost in the position of Russia today if we undertook to operate a great program of mechanized defense.

This will mean, in my judgment, that schools such as Dexter, Quoddy, and Wentworth Institute, in Boston, will be very urgently required during the next few years as America begins once again to develop its mechanical aptitudes. These have been suffering atrophy as a result of the assembly lines. The very perfection of the modern motors, with garages around every corner, have not seemed to require any particular mechanical skill in the operation of a car. In war all this is changed. Each operator of a truck or a tank must be able to keep his machine functioning over the most challenging terrain.

It is going to be very important that this new training program shall be built on a sound basis and fit into our entire educational program on an enduring scale.

As Congress today considers the problem of relief, it is gratifying to realize that out of the mechanical-training courses of the National Youth Administration there bid fair to be abundant fruits. In this coming year it is to be hoped that this offshoot of the relief efforts of the Government may be rapidly expanded.

Here is a field that may be cultivated with profit to everyone concerned. Mechanically trained boys can look after themselves. They are also imperatively required to look after their country, as events in Europe bring home with telling force. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, listening to the criticisms directed at the administration of the W. P. A. in various States this afternoon, I failed to hear a single word of criticism directed at the administration of the W. P. A. in the State of Montana, of which I am proud.

The President of the United States said, in his message here today in joint session, "I know that our trained officers and men know more about fighting and the weapons and equipment needed for fighting than any of us laymen, and I have confidence in them." I wish to add that I have every confidence and profound faith in the President of the United States. Though I shivered when the sum was named, I feel that every dollar he asks this Congress to appropriate will be spent for the express purpose of defense only; that there is no person in the United States or any Member of this House who is more desirous of keeping this country out of war and keeping this country at peace than the President of the United States. [Applause.] He is striving day and night to preserve our peace. I am going to vote for the appropriation that he has asked for, and I am going to vote for it only on the theory that it is for defense purposes. My contention always has been, and is now, that we must keep out of foreign wars, but if any foreign country attempts to invade our shores we must defend it with the last dollar we have and with the last drop of blood of American citizens to preserve our liberties.

Mr. Chairman, I agree with some things said here today by the distinguished gentleman from Virginia [Mr. WOODRUM] and particularly when he made the statement that we are at the crossroads. We are. We will soon have to pursue a different course.

But, first of all, and the most important thing to do in answering the question of unemployment in this country, is

to solve the farm program. You solve the farm program which the American farmer is faced with and you are going a long way toward answering the unemployment question. You give to the American farmer the cost of production for his crops, as has been so eloquently pressed for during this session of Congress and during past sessions of Congress by such distinguished gentlemen, among others, as the gentleman from Oklahoma [Mr. MASSINGALE], the gentlemen from North Dakota [Messrs. LEMKE and BURDICK], and the gentleman from Missouri [Mr. CANNON], if you go along with men of that type, soon the farm problem will be solved; and when you solve the farm problem and put the American farmer upon the same basis as industry so that he can raise his crops at a profit, he will take up a mighty big slack in the unemployment of this country. Congress will soon stop voting parity payments. The farmer can and will absorb thousands and hundreds of thousands of men in connection with the making of needed improvements upon his farm. The farms today are in a dilapidated condition because the farmer is unable to meet the necessary expenses to make those improvements.

I am glad to support the bill that is before the House for relief and I congratulate the Committee on Appropriations for adopting the message of the President when he asked them to make the money carried in the bill available for expenditure within 8 months should the necessity therefor exist. My information is that that will carry on with about the same number who are on the relief rolls now. Personally, I would like to see the time come when thousands and thousands of our unemployed could be put to work in preserving our best lands which are now being destroyed, and for decades past have been destroyed, by our rivers and streams in periods of floods, by riprapping the banks of those rivers and streams. We owe to the generations yet unborn the duty of preserving these fine productive lands along our rivers. You may travel along the Missouri and Mississippi Rivers and other rivers and smaller streams of the country and you will see where millions of acres of our fine lands have been cut away leaving nothing but sand bars in the wake of the ravages of these streams. Thousands and thousands of men could be employed at this very profitable work which would greatly increase the capital of our country, and not at relief wages, but at livable wages.

I would like also to see a great portion of our unemployed put to work in the construction of post offices and other Federal buildings throughout the United States where they are needed. In my own district we have 17 eligible cities clamoring for Federal buildings where the Government is paying high rents for places to use for post offices and other Federal agencies. It would not only result in meeting the need of the people but it would also result in a saving to the Government. If time would permit, which it will not in the short time allowed me, I could instance the need for many other necessary permanent improvements.

Now, Mr. Chairman, getting into the vitals of this matter I am convinced, and I believe a great many others in Congress and in Washington and throughout the Nation are convinced, that the greatest dangers that confront the United States of America today are dangers within, not without, our borders. Hungry stomachs are dangerous.

The American people are determined that this Nation be kept out of wars overseas. I do not know anyone in Congress who wants us to get into war. I am sure as one Member of Congress I am going to do everything that I can do to prevent America from getting into war. We do not have any military clique with aspirations toward the false glory and glamour of war.

We do not have, as a matter of fact, any war problem in this country today. If we see to it that our Army and Navy defenses are what they should be, then we can take advantage of our position as a "military island" and no other nation on the face of the earth is going to attack us, because they will realize that they have much more to lose than they have to gain by risking a war with our powerful and prepared United States.

What we do have, in my opinion, are plenty of domestic perils and problems and they are so great—so increasingly

alarming—that they deserve Congress' full and immediate attention.

Perhaps the most pressing of all these domestic problems is that of unemployment. We have, according to various estimates, approximately 10,000,000 Americans out of work who ought to have jobs. Can you imagine a more staggering problem for any nation than that? Ten millions of manpower and womanpower going to waste. Ten million men and women who are like that many motors that had been started and then left idling—left out of gear, so to speak.

Most of these 10,000,000 people are what we call young folks, not necessarily youths—although many actually are that—but young men and young women at their physical prime.

Their problem and the whole unemployment problem is closely related, it seems to me, to the problem of another 10,000,000 Americans on the other end of the age scale. I refer to the Americans past the age of 60—those Americans whose contributions to this country and its welfare have already been made—those Americans who have past their physical prime and who have earned the right to retire.

Mr. Chairman, I am wholeheartedly in favor of legislation that will help these Americans past 60 and at the same time will operate to assist us in putting 10,000,000 of our younger men and women back on pay rolls.

Mr. O'CONNOR. Mr. Chairman, I am wholeheartedly in favor of legislation that will help our Americans past 60 and at the same time will operate to assist us in putting 10,000,000 of our younger men and women back on pay rolls.

I favor adequate pensions for our people of retirement age. I maintain, and I believe many of my colleagues agree, that Americans, as a whole, are in favor of giving the old people of this country—the men and women past 60—the means to live out their lives in economic security, in peace, and under conditions that represent the standards of Christian decency which all Americans insist shall prevail in our democracy.

I intend to support, as I have in the past, the legislation now before both House and Senate which has come to be popularly called the Townsend plan for pensioning the aged. I lent what influence I have to the bill in the House by signing the petition circulated in an effort to have this legislation brought up on the floor for general discussion.

I believe the bill is fairly well understood by this time, but I want to take just a few minutes to reexamine its provisions for the purpose of stating again just what the bill proposes.

First, it would levy a 2-percent tax on the gross income of all individuals and all business firms in excess of \$3,000 annually. In other words, if an individual earns wages of less than \$250 a month or if a business enterprise earns less than \$3,000 a year, then that individual or that firm would pay no tax.

After it is collected, this tax revenue would be paid out to all men and women in the country past the age of 60 on an equal share basis. There would be one main "string" attached to the annuity payments the aged people would get monthly, and that is this: They would have to spend their annuities in a month. They could not hoard the money; indeed, they would have no incentive to do so under the proposed legislation, because they would be assured of a regular monthly income.

Is that not a simple arrangement? Is it not perfectly clear and understandable? Of course, I have summarized in only the barest and most concise way what is proposed.

But that is the essence of the so-called Townsend plan as it is incorporated in the bills introduced in the House and Senate.

Let us examine it just a bit further.

What this legislation proposes is to translate into terms of law a program to carry out what the American people feel should be done to take care of our population of retirement age. Remember, the American people are definitely committed to the idea of taking care of the aged, and have been for years and years. What has been done in the past has taken different forms in different decades. We have had everything from the outmoded poorhouses to the latest features of the

social-security idea. There have been defects in all of them. The latest plan, the social-security program, has weaknesses which lead many to doubt it can be made to accomplish the entire purpose for which it was intended.

What the Townsend plan legislation would do is, roughly, this:

It would raise an estimated \$6,000,000,000 of new tax revenue annually. This would be paid out monthly in share-and-share-alike annuity payments to persons past 60. An estimated 10,000,000 men and women would be eligible for the payments.

On this basis, and computed on an annual national income of about \$75,000,000,000, the tax would represent payments of about 8 percent of the total national income to about 8 percent of the total population.

To put it another way, the total tax yield anticipated is about six billions, and it would be paid out monthly to 10,000,000 men and women, or about \$600 annually, or \$50 monthly to each individual qualified for an annuity.

There is, in the legislation, a reference to a \$200 maximum monthly payment to any individual, but it is obvious that only a quarter of that sum would actually be available.

The thing to remember and the thing I want to emphasize is this:

The American people have always cared for the aged, and, I hope, always will. This is merely a new proposal, a pay-as-you-go proposal, for doing something the American people have always done in the past.

But this proposal would do more than merely accomplish the primary goal of taking care of our aged. It would strike down the specter of unemployment that has stalked the Nation for years to haunt our young people, discourage them, and beat down their hopes and ambitions to live as Americans have always lived—decent lives under decent American living conditions.

The program proposed here, guaranteeing security and peaceful old age to 10,000,000 men and women past 60, would accomplish the doubly desirable purpose of removing them from the machine-devastated labor market and thus would help to create jobs for another 10,000,000 of younger men and women, some of whom have never had regular full-time employment, have never had the kind of job that is the foundation on which American family life is built.

Gentlemen, America is a Christian country, a Christian democracy, a land where we hoped equal opportunity would always exist. The American standard of living is the envy of the rest of the world. America is free, its citizens are free men and women. America is not a nation of poorhouses. America does not want to put its young people into uniforms and trenches and its old people into squalor.

America must be kept, so far as we can accomplish it, a nation of opportunity for free citizens to live as free people. We cannot do that by turning our youth into cannon fodder, our aged into fodder for cans.

Old people are not like old horses; you cannot slaughter them to "get rid of the surplus" and then convert them into canned food. They have given their best years to make whatever contribution they were capable of to the American scheme of life. Now they are past physical prime and they constitute a labor surplus, a factor intensifying the problem of finding jobs for younger Americans.

At present these old people, in some instances, are barely eking out an existence. Many of them have no resources, no help outside the miserably small pittance that comes to them through the well-intended but insufficient social-security law. They have no relatives to take care of them. They have no friends to take care of them. They have not anyone to make their last years something besides a maddening, half-starved, wretched wait for death's ugly hand.

I say the Townsend plan, Mr. Chairman, is a plan that will save these unfortunates from terrifying "twilight years" of half living. I say this plan will, at the same time, help the Nation solve its biggest problem—unemployment. It will, when in operation, actually save the Nation money by alleviating the conditions that require expenditures in many other

directions. It will stimulate business by keeping a steady flow of money in circulation. It cannot jeopardize the Nation's credit, because it is predicated on a taxing, pay-as-you-go basis.

In its collection, no new department is necessary to effect the collection or distribution of this tax. No high-salaried people are required to effect its administration.

This legislation is simply an effort to carry out the Christian duty of the American people—a duty they willingly embrace, and a duty Congress should, with equal willingness, proceed to execute.

We must take care of our aged—we must give our youth an opportunity.

Here is a way to do both; and, at the same time, to stimulate business—to take a big step toward solving our gigantic unemployment problem—to keep American living standards what they should be—and all without imposing any burden on anyone.

The Townsend plan legislation is the answer to all these aspects of a complex and difficult economic and social situation that demands action. I am 100 percent for it.

I call upon my colleagues to sign the discharge petition on the Speaker's desk, and urge that this important legislation be brought upon the floor of the House so that we may pass this needed bill. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the portion of the bill to which I wish to direct my remarks is section 3, page 10, which has to do with the Puerto Rico Reconstruction Administration. To go back to the genesis of the P. R. R. A., it is necessary to take up what is known as the report of the Puerto Rico Policy Commission, or the Chardon Report, released under date of June 14, 1934, which was what you might term a theoretical economic approach to the reconstruction of the economy of Puerto Rico. It appeared that the Federal Government was about to appropriate many millions of dollars, perhaps billions of dollars, to be spent in the States and Territories forming our Government. As soon as word went out to the effect that money was to be spent, men began to make plans as to how to get rid of the money. The Chardon Report is the theory which deals with that little country, about 35 by 100 miles, known as Puerto Rico, with a population of approximately 1,800,000 people.

The P. R. R. A. has spent, up to March of this year, approximately \$61,500,000, which has been furnished by the Federal Treasury.

In referring to the hearings before the Committee on Ways and Means of the House relative to the Social Security Act amendments of 1939, I find that Mr. Miles H. Fairbank, Assistant Administrator of the P. R. R. A., made some presentations from which I wish to quote. Mr. Fairbank said:

I should like to say, however, that since 1935 the Federal Government has been in the midst of a program for the economic and social reconstruction of Puerto Rico. We believe we are meeting with success. Puerto Rico has been a part now of the American picture for 41 years. We believe the extension of these several parts of the Social Security Act to Puerto Rico will be of material help in aiding us to round out this program. I simply want to testify on behalf of the Secretary of the Interior, our Administrator, as to our interest in it.

The Puerto Rican Reconstruction Administration was set up in 1935 as the agency to spend the Puerto Rican share of the moneys coming from the works relief bill of 1935. Prior to that there had been appointed a committee of prominent Puerto Ricans who had worked out a program which later became known as the reconstruction program of the island, and this instrumentality was set up, financed with work-relief funds, and has been carrying out that program.

I assume, Mr. Chairman, and I must assume that the program there referred to is the program stated in the Chardon report, a copy of which I hold in my hand.

The program is primarily based on rural rehabilitation and the development of natural resources such as hydroelectric plants, the development of such industries as we are legally able to do under the law, which, of course, is somewhat restrictive.

In considering that particular language, of course, it is necessary to bear in mind that Puerto Rico is primarily agri-

cultural, that Puerto Rico runs east and west somewhat the shape of a shoe box, that through the center running east and west is a mountain range, that on the north side of Puerto Rico you have a given climatic condition and on the south side you have a dissimilar set of climatic factors to deal with, that on the north side of that mountain range you have considerable rainfall and on the south side you have an arid area which is of little good, unless there is applied to it water and hydroelectricity.

Long before the P. R. R. A. was created and before we began to spend funds in such a manner, private industry had gone into the southern section of Puerto Rico and has established privately owned and insular government encouraged hydroelectric projects and irrigation where the landowners, in a way similar to that followed by our landowners in the West and in the Northwest, provided themselves with water resources.

In that manner they had converted this arid land in the South into rich agricultural areas which were furnishing employment in private industry to thousands of Puerto Rican workers, as we can see from this language which I quote:

The program is primarily based on rural rehabilitation and the development of natural resources, such as hydroelectric plants.

Now, continuing to quote Mr. Fairbank, "the individual landowner has been disappearing."

This means to say that in years prior to our entrance into the islands, under Spanish regime, the Puerto Rican people were accustomed to making their own way. They had their little places on which they grew subsistence crops.

They were engaged in private industry, depending upon themselves and not on the largess of the Federal Treasury, and that is what Mr. Fairbank referred to when he said:

The individual landowner has been disappearing, because a great part of the land which he previously operated, as we came into the picture, was converted into large plantations primarily owned by absentee landowners.

So, it would appear that here is an approach or effort to recapture the lands of Puerto Rico for the purpose of redistributing them back to the people in accordance with a plan which I shall here attempt to unfold and which I hope to support with some remarkable documentary evidence which has come to me directly from Government sources:

Our program is to attempt to check that—

That means the disappearance of the individual landowner—

and we have bought large tracts of land and divided it up into small farms.

Now, who is "we"? The P. R. R. A., financed with Federal funds.

As a part of our coffee, tobacco, and fruit program we have bought smaller sections for individual farmers and resettled laborers.

There are two propositions, and this is the testimony of Mr. Fairbank, which I am quoting:

We have bought up large tracts of land. We have bought small sections for individual farmers. We have now between 3,000 and 4,000 new farmers created since 1935. We bought the Central Lafayette.

What is the Central Lafayette? It is a vast mass of buildings and machinery, a great enterprise itself, you might say, in the form of processing plants. He might have said, "Why, we have gone to Chicago and purchased the packing plants of Armour and Swift for the purpose of processing the pork and beef raised on the lands west of Chicago." Here is a case where the P. R. R. A. goes into the purchasing of plants, aggregating costs of more than \$1,000,000. Where? In Puerto Rico.

We bought the Central Lafayette with all its properties, about 10,000 acres of land, and about 8,000 acres of land under lease.

This was owned by a French family, the Fantauzzis family. "The average was about \$250 an acre for the whole property." "Let me say that that land, incidentally, has been turned over to groups of individual farmers and land cooperatives, made up of laborers." I have here the certified

balance sheet of the 12 cooperatives and they present the startling information to which I referred a few moments ago.

Our resettlement farms are running all the way from 3 to 50 acres.

I hold here in my hand a small map which was prepared by the P. R. R. A., Department of Interior officials, which illustrates the spread of these rehabilitated farms throughout the island of Puerto Rico.

Our resettlement farms are running all the way from 3 to 50 acres. In the mountain region the small farms predominate, but in the sugar cane region we have some farms up to 50 acres, in the tobacco region the average farm we are resettling would average around 10 acres.

The tobacco and the coffee areas are on the north half of the island and the sugar lands, primarily, on the southern half of the island.

Mr. Fairbank goes on to say:

I think our record has been exceptionally good. There is a prevailing opinion that if you try to help Puerto Rican people to resettle that sooner or later they go back to their old way of living.

What was the old way of living? It was self-subsistence under the Spanish regime, independent of the Federal Treasury.

The answer to that is they will unless they are followed up with the type of service which will help them adjust themselves to this new type of living.

And what is this new type of living? These records which I have here unfold what it is. This new type of living is an outright regimentation under a Federal boss, with them depending upon largess from the Federal Treasury. That is the new type of living. "I think that is obvious," he said.

Many of these peons, who never had any land, don't know how to grow crops or utilize the crops after they are grown, and they cannot be expected to take hold. I think we have had very marked success—

And I will let the balance sheet show whether or not that is a sound statement.

I have to make that general statement. I could be specific if you would just tell me in what particular you are interested—

And he is now talking to the members of the committee.

I mean there is a definite tendency. We have to recognize this thing in tendencies. We have created, as I say, 3,000 farms, and if we stop today I do not think that trend would stop.

In direct answer to questions propounded by the gentleman from Minnesota [Mr. Knutson] we find, on page 1613 of the hearings, the following language by Mr. Fairbank:

The only tract we have purchased for which we have paid \$250 an acre is the Central Lafayette property. That property is divided up among many individual farmers, in many land cooperatives. Ownership of it is in an insular cooperative, organized under insular government laws, the members of which are the laborers on the land. We hold a mortgage on it.

If Members will trace down that statement to its finality I hope you will make yourself available to these reports and see just how much reliance you can put on that statement. He continues:

Our position is that of a banker; we are controlling the operation as a banker would control it. These are cooperative functions. They grow sugarcane and grind it in a cooperative mill, and incidentally they are paying their interest on the loan. We have a mortgage on the land and over 27 years we hope to get our money back.

Mr. Knutson asked this question:

Is that a sort of communal institution such as they have over in Russia?

Mr. Fairbank. In a sense it is; yes.

Mr. Knutson. Is it patterned after the Russian?

Mr. Fairbank. Rather; this is an experiment to try to find some way to distribute the profits of the sugarcane business to the laborers who create it.

We speak of the agriculture of Puerto Rico. We find there is coffee, bananas, and other tropical fruits, also tomatoes, and vegetables, sugarcane, and so forth, and so, when you study this map, you cannot restrict it merely to sugar-

cane, because this is an approach to reorganizing the whole economy of Puerto Rico, industrial and agricultural.

Mr. Fairbank continues:

That enterprise is not only made up of these land cooperatives; it is made up also of some 300 farmers who own land as individuals. At the time we bought the Lafayette property they were operating about 10,000 acres of land as administration land. When I say administration land I mean land owned by the family who owned this enterprise, this French family. In addition to that their mill was grinding cane for about 300 independent families.

Mr. Fairbank continued:

It will be turned over to the individual cooperatives. They have a board of directors and each member has an equity in a cooperative the same as any other.

I emphasize this board of directors proposition because I hold here a copy of the bylaws which forms the cooperatives and also a copy of the Lafayette cooperatives. And when you take those bylaws and square them with the reports of the certified accountants which we have here available to us, we find a most peculiar thing has happened in that the boards of directors of these 12 cooperatives have surrendered their power of control to another power, and there is where some of the unique operations come into this situation.

Certain members of the Ways and Means Committee, having had time to consider the startling statement offered by Mr. Fairbanks, he was recalled by certain members, and a bold effort was made to erase from the hearings the damaging testimony, and those who are interested may further study the matter by referring to pages 1614 and 1616 of the hearings, but instead of being misled by the attempt to destroy the testimony of Mr. Fairbank, let us go to a more recent record which gives further startling information, especially in connection with the socialistic undertaking which Mr. Fairbank is having the Federal Government finance, contrary to the economic and social interests of the people of Puerto Rico. It is nothing but a drain on the Federal Treasury. Going to the auditor's report, Sparrow, Waymouth & Co., certified accountants, with New York and San Juan offices, we find certified balance sheets of the 12 farm cooperatives.

In the accountants' report we find this interesting language:

The management of these 12 organizations has continued vested in the Land Cooperatives' Committee, created in accordance with the cooperatives' contract which expires on June 30, 1986, and composed of one representative from each land cooperative, with full powers to manage the property and conduct the business of each of the land cooperatives.

Although these 12 cooperatives are separate and distinct corporate organizations, by virtue of the terms of an interconveyance contract entered into by all 12 units, each cooperative is bound to convey (as soon as possible) to each of the other 11 cooperatives an undivided one-twelfth interest in all of its assets, such assets to be held by all parties as tenants-in-common in equal shares. Likewise, upon effecting said conveyance (which, we have been informed, have not as yet been executed), each cooperative shall be liable for all debts of the other 11 cooperatives. And, furthermore, all income and expenses of the 12 cooperatives shall be owned and shared equally by all 12 cooperatives.

In view of these contractual obligations, we have prepared (in addition to the individual balance sheets and statements of income and expenses of the 12 separate units forming this group appearing in the related schedules of this report) a consolidated balance sheet and a consolidated statement of income and expenses for the group as a whole. Thus, in our understanding, even though the interconveyance contract has not been complemented as yet by the formal deeds of conveyance which are called for by its provisions at June 30, 1939, each agricultural cooperative had an undivided one-twelfth interest in every item appearing on the consolidated balance sheet and consolidated statement of income and expense appearing on the attached exhibits B and C, irrespective of the amounts actually appearing in the related accounts on their respective books.

Now, picture yourself as a \$5 share owner of one of these cooperatives. You purchase your \$5 share, participating share. You think you have a common interest in that particular cooperative, for instance, but you find later that your cooperative has joined with 11 other cooperatives in executing an interconveyance contract which throws the assets, liabilities, and obligations of all cooperatives into a commonly held proposition.

Then when you go back and take the bylaws of your particular cooperative to see how its income was to be distributed to

you as a shareholder, you find that these interconveyance contracts throw you off the track. You find that the interconveyance contracts carry you in a direction which you did not understand you were to travel at all when you made your subscription for the \$5 share of stock.

Now, I am reading from the June 30, 1939, balance sheet, income and outgo statements of these particular 12 cooperatives. Let us see what the financial success of this proposition is.

The excess of expense over income for the year ended June 30, 1939, shows \$55,811. These are the 12 cooperatives. Included in the income is \$135,136 in the form of benefit payments paid to the 12 cooperatives to induce them to restrict their crop production. So if you eliminate that, which may pass out at any time with the expiration of a certain law which is now on the books, and add that \$135,000 to your \$55,000 loss, you would have in round figures \$190,000 loss on 1 year's operation of these particular cooperatives.

Now, when you take the previous year's statement of operations, as of June 30, 1938, you find the benefit payments carried into your income account are \$178,000. There is a drop in 1 year from \$178,000 down to \$135,000. When you take \$178,000 of benefit payments out of the income of the cooperatives you have a showing of approximately \$111,000 actual operating loss. Now, that is how fast these 12 cooperatives are not succeeding. The operating loss for June 30, 1937, amounted to \$61,451.24.

Now, where is this leading to? It is leading to a complete blow-up of the whole cooperative undertaking in the islands because of the dissatisfaction which has developed down there and which is illustrated by this statement taken from the Wednesday, April 24, 1940, newspaper, printed in San Juan.

I shall ask permission to include that article of two and a half pages in my remarks.

[Translated from El Pais, San Juan, P. R., Wednesday, April 24, 1940]

IT IS EXPECTED THAT SENSATIONAL ARRESTS WILL BE MADE AS OUTCOME OF INVESTIGATION OF CENTRAL LAFAYETTE—GOVERNOR LEAHY HAS ASKED FOR THE SWORN STATEMENTS OF VARIOUS WITNESSES WHICH SHOW THAT IRREGULARITIES HAVE BEEN COMMITTED BY THE ADMINISTRATORS OF THIS INSTITUTION

According to reports that have reached us, sensational arrests may be ordered to be made at any time now, as the outcome of the investigation carried out by the legislative commission that went to Arroyo to investigate alleged irregularities in the administration of the Centrale Lafayette, operating in that municipality under the auspices of the P. R. R. A. We have information from reliable sources that the Governor of Puerto Rico, Hon. William D. Leahy, has requested from the investigating committee of the House of Representatives to deliver to him several documents, among them the sworn statements of various persons and such other as reveal serious irregularities in the administration of this Centrale.

According to the official report rendered by the legislative commission which carried out the investigation, the administrators of the Centrale, with the apparent consent of the P. R. R. A., have violated laws on cooperatives in force in the country, the articles of incorporation and the regulations of the Lafayette Cooperative Sugar Association, the laws of a social and labor character, the Hatch Act, and several others. It has been discovered by this same investigation that the economic condition of this enterprise, according to the statements of its administrator, Mr. Antonetti, has not been and is not a business success. These statements of Mr. Antonetti rectify (ratify) in all its parts the exclusive information published by El Pais, and in which we charged that irregularities were being committed in this enterprise and the absolute failure that it had turned out to be, so much so that the idea of selling it was being entertained.

We have been told that upon learning of the report of the investigating commission of the House of Representatives Governor Leahy has shown great interest in same and has requested additional data with the intention of going deeper into the matter. These data have been furnished to the Chief Executive, and this seems to have increased his curiosity to go to the bottom of the situation to learn the truth, and even yesterday afternoon he had given orders to be furnished with the sworn statements made by various persons and which prove the irregularities that have been denounced by El Pais, and which complaint is corroborated in all its parts by the commission in charge of the investigation.

Our informer, upon giving us details of these activities to learn the whole truth as to the situation prevailing at the Centrale Lafayette, which is one of the activities developed by the P. R. R. A., and which is now under the personal direction of the Governor of Puerto Rico, he advanced us the information that the possibility of

ordering several arrests to be made was being contemplated, based, of course, on the accusations made by persons who were called to give evidence before the investigating commission.

One of the points covered by the report of the investigating commission of the House of Representatives to which greatest importance has been given is the one which reveals violations of the Hatch Act. The evidence presented in the form of sworn statements shows that 97 percent of the employees of this institution belong to the same political party, which is the same party that controls the P. R. R. A. One of the most serious charges that has been made before the Federal authorities consists in the fact that the P. R. R. A. has engaged in Puerto Rico in waging political campaigns in favor of a certain party. On this subject the investigating commission says in its report:

"4. Hatch Act: Every director of each one of the 12 agricultural cooperatives and of the industrial cooperatives, as well as 97 percent of the personnel in the office, factory, railroad, and field, are persons affiliated to the same political party. This abnormal situation is the reason why the Hatch Act is being continuously violated to the extent that during the last registration period horses belonging to these agricultural cooperatives were used in political campaigns, and the overseers, as in the case of Mr. Sandalio Badui, of Arroyo, took positions in front of the registration places to force the voters who registered to deliver to them their registration certificates. All of this has brought about as its consequence a state of restlessness, mistrust, and uneasiness in the social and economic life of the communities of Arroyo, Patillas, and Maunabo."

All of this has brought about, as we have stated before, the possibility of ordering sensational arrests at any time, that is to say, as soon as all the evidence obtained by the investigating commission of the House of Representatives of Puerto Rico has been thoroughly studied.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MARCANTONIO. Is that an article written by Mr. Stevenson?

Mr. CRAWFORD. I have no idea by whom it is written. I have here the issue of April 24, 1940, of El Pais. This is a specially featured article on the front page in large-type heading, and the reporter's name is not shown. It is a special front-page feature. I have information from the Department of the Interior to the effect that the investigating committees have been appointed, and I assume there must be something to it. It is very well that the Governor of Puerto Rico is trying to get at the bottom of this thing before he gets smeared in connection with what is going on with the Puerto Rico Reconstruction Administration throughout the island.

Let us go a step further into this. I have been reading to you from the certified balance sheets and operating statement of Agricultural Cooperatives. Now let us take up the certified balance sheets of the La Fayette Cooperative, which is the mill end of this proposition. As of June 30, 1937, the mill ended its first fiscal year's operation. The P. R. R. A. negotiated for this property in the latter part of 1936; in other words, primarily, the fiscal year as of June 30, 1937, was under the private operation of the Fantauzzi management, the prior owners of this property, and in that year the operations were quite successful in that the earnings amounted to \$291,496. The second fiscal year ended on June 30, 1938, and during the entire second year the cooperative was exclusively under the domination of P. R. R. A. The earnings in the second fiscal year dropped to only \$134,429.

When we come down to June 30, 1939, during which period the operations were entirely under the P. R. R. A., the earnings disappeared. And all this, Mr. Chairman, in the face of the fact that this property—mill and lands—constitutes one of the very best properties in the island. It illustrates what poor management can do with a good property.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Then, we go back and we begin to pick up what has entered into the operation of this mill, which prior to this new management had been very successful. We find that on June 30, 1939, the mill cooperative owes one item to the P. R. R. A. in the shape of a cash loan which was negotiated for \$270,000. While this money was borrowed in 1936 to help defray crop operating expenses for the year

ending June 30, 1937, Central LaFayette was unable to make payment at the due date. The note had to be extended. Although the crop had been harvested and disposed of the management found it necessary to again extend the note. Excess of quota sugars finally accumulated, but even when they were all sold last December 1939 the cooperative could not then take up the note, so it drags along unpaid and has again been extended until June 22, 1940, and no chance of payment now in sight. Here in 1940 they are still unable to make payment and, furthermore, the articles of incorporation and bylaws, and so forth, of this mill cooperative specifically provide as to how these earnings shall be funded. I read from the accountant's report:

We have stated previously in these comments, under the caption "Cash," that certain cash funds are earmarked as applicable to these reserves. These funds, however, have been used for current operations as needed, and the remainder is available for the same purpose.

A further stipulation of the articles of incorporation states that all amounts reserved for the contingent fund must be represented by non-interest-bearing certificates of indebtedness, to be distributed to the members of the association on a patronage basis, computed for the year in which applicable. No certificates of indebtedness have as yet been issued to the members in accordance with this stipulation, although we were informed that at the date of this writing they were in the process of preparation.

We also find in the previous year's report of indebtedness that for June 30, 1938, these funds, instead of being given to liquidate, to carry out, the responsibilities created in accordance with the articles of incorporation, were being invested in fixed properties. So that gives you a concrete illustration as to why they cannot meet their current obligations, for instance, as evidenced by the \$270,000 loan. As of June 30, 1939, the accountants report:

Until such time as proper funding operations are effected, the following disbursements may be considered as having been provided for out of reserve funds: Net additions to fixed assets between December 23, 1936, and June 30, 1939, \$358,908.37.

These examples show gross mismanagement.

Now, Mr. Chairman, let us look at another phase of this undertaking. I now wish to refer to the rehabilitation program. Specifically, I wish to discuss briefly acquisition of lands of the Del Rio plantation. Quoting from the most illuminating and valuable report filed by the investigators, Messrs. James L. Bailey, investigator, and Harry S. Barger, Chief, Office of Investigations, we have the following:

CONCLUSIONS

1. That the officers and employees of the P. R. R. A., charged with the formulation and execution of the fruit program, have been unmindful of the best interests of the Government in many respects;
2. That the Government has been defrauded in the acquisition of the 114 cuerdas of land from Del Rio Plantations, Inc., under the rehabilitation agreements made by that corporation and 12 natural persons;
3. That the law prohibiting the making of improvements upon lands prior to the vesting of title thereto in the United States has been, and is being, violated promiscuously by officers and employees of the Division of Rural Rehabilitation, probably with the connivance or acquiescence of the Legal Division;

It is established, we believe, that Mariano Mari, Agustin M. de Ardino, Elmer Merceles, Dana Beaman, Adela Serra, John E. Heinzman, A. W. Kuenzli, John M. Kohn, Sergio Molina, Domingo Rios, A. G. Mehrhof, Jesse Kroon, Demetrio Latoni, and Jose Rafael Becerra, combined, conspired, and confederated together to defraud the United States, and that they, or some of them, in order to carry out the conspiracy, did and performed one or more overt acts, within the meaning of section 37 of the United States Criminal Code.

There is also suggested a possible violation of section 9 of the Emergency Relief Act of 1935, in that said persons made false and fraudulent representations for the purpose of obtaining relief or benefits thereunder.

We find from the record that available data indicates that 57 workers' houses have been constructed on the 114 cuerda tract conveyed by Del Rio Plantations; and that the approximate cost to date, with the improvements, is as follows:

57 houses at an estimated average cost of \$900 each.....	\$51,300.00
Benefits in the form of labor, materials, and supplies furnished Del Rio Plantations and the 12 natural persons.....	27,531.37
Cash consideration, paid Del Rio Plantations.....	3,164.00

All aggregating a total of (not including, perhaps, all administrative, supervision, and other overhead).....	\$81,995.37
---	-------------

Thus, Mr. Chairman, here again we have a case where bad administration brings a curse on an undertaking. If House Members are interested in reading a sordid story, let them call for the case history on this 114 cuerdas of land from Del Rio plantations. For the Government to go out, through its acting agents, and purchase such worthless and unproductive land as here obtained, and in the face of full and complete information based on careful surveys which proved beyond all doubt the land was not good for farming activities, is nothing less than a shame on administrative procedure. There has been entirely too much of this loose work carried on by the representatives we send to the islands.

LANDS PURCHASED AND UNDER OPTION

The record shows there have been purchased as of January 31, 1940, 57,123.77 acres, with an additional 14,475.53 under option, and with a purchase price for land bought of \$4,923,736.18 and encumbered for options the sum of \$315,679.71, or a total of \$4,239,415.89. The total cost of the "acquisition" of land amounts to \$1,528,620.80, and this sum should be added to the \$4,239,415.89; certainly an unreasonable amount for acquisition. Mr. Fairbank informs the committee that he has enough land for building 1,545 houses, at an average price of \$1,100, next year and about five or six thousand more later. It would appear this will call for an aggregate sum of money of about \$8,300,000. Thus we see it is a long distance to the end of this road which has been mapped out, and what it means to the economy of the island has not yet been fully explored, to say nothing about the drain on the Federal Treasury.

COST OF TRAVEL FOR THE STAFF

The record indicates the cost of this one item through February 29, 1940, amounts to \$685,586.74, with 445 travel authorizations issued for March 1940. Here in an island some 35 by 100 miles as many as 1,200 travel authorizations have been outstanding at a given time.

Mr. Chairman, if we had time to go ahead and develop this case and carry it all the way through the acquisition of these lands, the building of these homes, we would find that every step is loaded with just as much irresponsible mismanagement as the few items which I have here attempted to unfold in my limited time.

This program should be discontinued. This Congress should not appropriate another dollar to the prosecution of the Fairbank P. R. R. A. program in Puerto Rico. Those who will take the time can read the hearings before the committee. They were made available today. Read them carefully and you will find many startling statements made by Mr. Fairbank. It is a matter which demands the conscientious effort and study of the Members of this Congress if we propose to do a constructive job down there and thus be helpful to the Puerto Ricans. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. EDLSTEIN].

Mr. EDLSTEIN. Mr. Chairman, as a newcomer to this Chamber, I have sat and listened attentively to the statements coming from both sides explaining their attitude to the relief appropriation bill. There is no difference of opinion, and there can be none among sensible people, as to the existence of a relief problem. The divergence is as to the extent of the problem and the methods to be used to meet it, for, unfortunately, this appropriation will not solve it. Indeed, there may be no universal solvent, but this should not discourage us from making such attacks as will diminish the danger from the national menace of unemployment. One such offensive, and of vital importance, is embodied in the provisions of House Joint Resolution 535, which I introduced a week ago. I trust that before the Seventy-sixth Congress will have finished its labors, the Committee on Rules will have reported it favorably to this House since the investigation proposed by that resolution will reveal whether we are not overlooking, as well we may be, a positive method for reducing unemployment.

The bill reported by the Appropriations Committee accords with the President's request that the sum of \$975,650,000,

which is a cut of one-third as against this year's appropriation of \$1,500,000,000 may be spent in the first 8 months if conditions make this necessary. This request, which would enable the necessary action to be taken if industrial conditions should not improve, while not authorizing an expenditure on the same scale as last year, if not needed, is a reasonable and flexible method of meeting changes in a situation, whose outline cannot be foretold at the present time. Since Congress will be meeting in January 1941 it will be able to appropriate additional funds if the turn of events should really be adverse.

Let me repeat, \$975,650,000 is one-third less than last year. To adopt this resolution without the authority for variable expenditure requested by the President would mean a cut of one-third in W. P. A. employment. Two million people were on W. P. A. this year. Without the 8-month clause, there will be 700,000 less next year. If I knew, even if I could reasonably believe, that these 700,000 workers could find private employment, and that all that was necessary was to throw them off W. P. A. where, as some well-intentioned but misguided souls would have us believe, they loll in idleness and luxury at \$54 per month, I would not oppose so strenuously an appropriation of \$975,000,000 for the next 12 months. Until, however, I can believe, I refuse to vote to shunt off onto the dubious capacities of the States and local communities 700,000 families.

There will be some who will feel it necessary to talk, sincerely but mistakenly, of economy as a justification for this meager appropriation and for the refusal to allow the President the necessary authority to spend this sum in 8 months, if our business outlook continues downward. Humanity and such economy do not dwell in the same house and do not speak the same language. It is an economy which seems to flourish only at the expense of those who tread the hard city pavements but not of those who follow the plow. It did not exist in the hearts and minds of those Members from the many industrial centers of our country, who, earlier this week, voted for a parity fund for farmers. One-sided humanity and one-sided economy will not help this Nation to survive. We cannot economize at the expense of the city's poor in order to help the farmer. Aid which the farmer takes for granted should also be forthcoming, in case of like necessity, to industrial workers.

For these 700,000 workers separation from the W. P. A. would mean stark tragedy, not far removed from starvation in a land flowing with milk and honey. The farmers of this country can ill afford to lose domestic customers on top of the heavy losses they have already sustained abroad, because of the second World War. Seven hundred thousand off W. P. A. will mean additional hundred thousands unemployed. Private industry may have jobs it cannot fill, but it seeks only those with both youthful vigor and high skill, and most people on W. P. A., unfortunately, but through no fault of their own, do not possess both. Shall we then throw them out to starve?

There is no alternative, as some Republicans suggest, of giving relief back to the States. It was never taken away from them. The separate States cannot cope any better today with the problem of relief than when they first came clamoring to these halls for Federal aid. Their unceasing demands for Federal assistance and Federal administration prove that they do not want it back. The crisis in Ohio showed how well the States could take care of relief, if only they were left alone. We do not wish to permit in this country such laboratories in human misery. Nor do we wish to treat the unemployed worse than Federal criminals, whose daily food allowance, on a wholesale basis, is 23 cents per man per day, or \$7 per month. Against that place the relief allowance of some few States which is as low as \$5 per family per month. The average amount per person who is supported by W. P. A. wages is 48 cents per day for all purposes. This is not the sheer luxury some people would have us believe it is.

New York State, and New York City, I am proud to say, have both done nobly in providing for the many not on W. P. A. Relief allowances exceed those anywhere else, as

they should, and relief appropriations are larger. The city has had a sales tax and other excise taxes for years in order to meet its relief burden. Yet neither has come forward to ask for a lesser W. P. A. appropriation. On the contrary, the State department of social welfare recently said as to the wealthy Empire State's inability to handle the relief problem unassisted:

There is no prospect that the State and local governments can do more than meet the minimum needs for home relief entirely, aside from the question of a new curtailment of the W. P. A. program.

And I feel sure that the other States are in no better situation. Furthermore, the State board of social welfare, on the basis of past experience, estimates that a one-third cut in W. P. A. now would result in the dismissal of 51,200 workers and force an increase in State relief costs as high as \$18,500,000 annually. At least 52 percent, and as high as 67 percent, of those laid off will be forced to seek relief immediately or within a very short period of time, since some of them may be able to find temporary private employment. Let me give you actual figures. After the huge cut in relief a mass lay-off occurred in the last half of 1939 of 134,000 W. P. A. workers. Almost 70,000 of these applied for relief despite the fact that during that period production, employment, and pay rolls were making sharp advances.

The situation today is not nearly as good as then. Economists, at most, state that the decline, long visible since last December, has been interrupted but are unwilling to predict an upward turn in the near future. In such an uncertain situation it would be worse than folly to cut W. P. A. below its present extremely low levels. W. P. A. now has only 2,000,000 on its rolls, but Colonel Harrington has said that another half million have been certified by local relief authorities as being eligible and that another half million could be likewise certified if there were any likelihood of employment in W. P. A.

I for one am not in sympathy with the attitude and policy that W. P. A. should not take care of all the unemployed who are capable of working. It seems passing strange to say that the unemployed do not want to work and then to say they should not all be put on W. P. A. W. P. A. at its height has provided an opportunity to work for only one-third of the unemployed, and at its present low depth it takes care of less than one-fourth of the unemployed. The committee has reported in favor of retaining the 18-month clause, which is intended periodically to throw people off W. P. A. even if they cannot find work in private employment, and a survey which has been made shows that for the most part they cannot. This 18-month clause at present perpetuates the contradictory and illiberal policy of not providing work for all the unemployed who can work. It is for this reason that I shall welcome the opportunity to vote against the retention of the pernicious policy of whirling the unemployed off into outer darkness every 18 months, even if it means near starvation for them.

It is for the same reason that I shall support the amendment which I understand will be offered at the proper time by the gentleman from the Twentieth New York District [Mr. MARCANTONIO] to increase the relief appropriation to \$3,000,000,000. His district, like mine, is one inhabited by many poor people. They have no voice as to how our industrial economy functions. They have no seat at the table of the mighty who determine the course of business, who set production, interest rates, loans, and plant expansion. They are the poor who even in prosperous times labor for little enough and in times like these can find no work. They want work, work which they can do and which will give them their daily bread. Shall we continue to deny them this simple desire, this universal wish, to be respectable though poor, to be upstanding and not live on charity? It is time that we repudiated the smug policy that W. P. A. need not provide work for all, thus forcing the unemployed to live on the dole though they want work. We now provide W. P. A. funds for less than one-quarter of those unemployed. The adoption of the Marcantonio amendment will provide for over one-third of them, and I trust we shall not fall below that figure while unem-

ployment totals over 8,000,000. As I have indicated, the Marcantonio amendment will receive my wholehearted support.

We are faced with facts and not a theory in passing on the appropriation for W. P. A. Since such large numbers returned to the relief rolls in periods of business and industrial advances, a cut in W. P. A. now would mean a tremendous rise in home relief. To justify W. P. A. retrenchment, new gains in business and industry with greatly increased opportunities for employment must be imminent. Nowhere on the beclouded horizon of business are such gains even faintly observable. State aid, we know, is entirely inadequate to cushion the impact of another merciless slashing of W. P. A. rolls. If we refuse Federal aid to 700,000 persons, whom private industry cannot absorb, they will be the victims of a black-out of our common humanity.

But we cannot ignore, we cannot segregate these 700,000 people who now are still on W. P. A. Even Dorothy Thompson, who denies the existence of serious unemployment, does not deny that people on W. P. A. are workers. Those workers are now earning wages, creating purchasing power, keeping alive many small businesses in their communities. Thrown off W. P. A. they increase unemployment at a time when we should be seeking to reduce it. Unemployed, they drain the community purse instead of filling it. Unemployed, what ability they have deteriorates and the canker of idleness makes adjustment to a rapidly changing society even more difficult. With no place for them in our society, whether it be their fault or ours, is immaterial; they will be ready tools for any madman's dream of creating a new order of things by bloodshed and strife, whose foundation will be the destruction of our country. If we keep them useful, we keep them democratic. If we keep them idle, others besides Satan will find mischief for them to do.

Contrary to the belief of many who have only felt the pangs of hunger at intervals between their regular meals, people on W. P. A. do useful and necessary work, work which would not be done except for W. P. A. I have no doubt that many of you could relate, with equal gusto, the many tangible and permanent improvements in your communities resulting from the W. P. A. program—aimed at conserving human skills and creating additional public assets. In New York City the numerous projects amply illustrate the useful and amazing achievement of W. P. A. in making that city a better place to live and do business.

Last week the New York World's Fair reopened for its second season with the hopeful motto "Peace and freedom." At the fair, demonstrating those stirring words, there is a vivid W. P. A. exhibit. I do not know how many visitors to the fair, occupied with the other delights and wonders of New York, will see that exhibit, but I do believe none of them will miss viewing the largest and most dramatic W. P. A. exhibit of all, LaGuardia Field, the New York municipal airport.

LaGuardia Field is rightfully named after New York City's dynamic and progressive mayor, who is always striving to help the unemployed, who knows that private industry cannot at present relieve the situation, and who throughout his administration has vigorously demanded the maintenance and expansion of W. P. A.

Out of the mud of Flushing Bay there has arisen the most modern airport in the world. This, the largest W. P. A. construction project in the country, completed in a little over 2 years, has put New York on the map, aeronautically speaking. Serving both land and sea planes, controlling all air traffic in the northeastern part of the country from the C. A. A. offices located there, it will be a focal point for transcontinental and transoceanic travel.

How this airport was built is another thrilling story of America at work. To transport the fill for the site, W. P. A. erected a temporary bridge over which 400 trucks traveled 24 hours a day under a 7-second headway. You could not loaf on that job and keep up that schedule. At the peak of the job over 23,000 men were assigned to the construction of this beautiful and commercially valuable project. If you

want some assistance in visualizing this gigantic project, a trip to the Gravelly Point project on the south bank of the Potomac River will give you some idea of what is involved.

That completed airport is a project which, if seen, will stir your imagination. There are many other W. P. A. projects in New York, not so well known but equally useful. Among these are the clerical-research projects, of which there were 107. One of these was an accountants' project which materially helped "Gang Buster" Dewey pile up a record of successful prosecutions of rackets. So important has their work been that Mr. Dewey has asked that the project be continued under his special sponsorship. I am positive that this project will be of great value to him next year in his continued capacity as district attorney.

I could go on enumerating the valuable work of each of the other 106 projects but there is not sufficient time to touch on more than a few high lights. One project simplified 100,000,000 different paper forms with a resulting saving of \$200,000 annually to New York City. Another, at nominal cost, developed valuable apparatus needed for research in cancer.

I represent a constituency to whom "affluence" is meaningless and nonexistent. It is my people who have derived great benefits from the Health Production Service projects, which have maintained W. P. A. dental clinics, baby clinics, immunized thousands of children against the dread scourge of diphtheria, X-rayed many thousands of grown-ups and students for tuberculosis. They have distributed to 225,000 underprivileged children toys made by W. P. A. toy shops from scrap and surplus materials of other projects. The W. P. A. sewing projects have clothed the ragged not only with necessary clothing but with much-needed confidence in looking for private employment.

The W. P. A. has kept families together by supplying house-keeping aides, under the supervision of the city's welfare department, when mothers have been bedridden. It has prevented malnutrition by serving 23,174,163 free hot lunches to an average of 115,000 poor children each school day. In many other ways W. P. A. has aided the progress of education in New York City. In the field of recreation it has taken the "dead-end kids" off the streets and out of mischief by supplying supervised activities in museums and parks, and has established school farms, at which children are taught how to grow vegetables.

In its adult education classes W. P. A. has made democracy stronger. These classes taught 1,000,000 illiterates throughout the Nation to read and write, aided those seeking naturalization by material dealing with our national holidays, our history, civics, and the duties and ideals of citizenship. This program is one of our strongest national defenses against the encroachment of foreign dictators and their totalitarianisms.

But W. P. A. as a whole is a defense against them, a certain means of achieving peace and freedom. At this time, when business is on a toboggan, we cannot afford to curtail W. P. A. and carelessly jettison this magnificent investment we have made for the future of America.

Better to keep 700,000 more on W. P. A. in these troublesome times, engaged in usefully creating national assets, rather than let them rot in idleness on the scanty dole of relief, on the very uncertain chance that they may find a place in private industry. I do not pretend to be an economist, but I believe we can see cause and effect in the events following each of the earlier cuts in W. P. A. Shutting down of W. P. A. projects in the past has inevitably been followed by a business recession, which showed no signs of abatement until W. P. A. expansion was imminent. We have not gotten over the ill effects of last year's reduction and it would be foolhardy to superimpose another cut on it. If we can afford to spend huge sums on military defense, we can afford to spend money for the defense and conservation of our human resources, and the preservation of American democracy. To retrench now would not only be extremely

short-sighted, but needlessly cruel to 700,000 American families. Those who have enlisted in the cause of American democracy and freedom will vote, as I shall, for this appropriation and for giving the President the discretionary power he needs to adjust W. P. A. expenditures to the economic conditions of the country.

The President's message on the need of defense preparations to preserve our democracy against the constantly increasing potentiality of foreign aggression, is one with which no one could dissent. In the brutalities of the world today democracy, unarmed, is not a living democracy for long. Yet I believe that we cannot successfully fight outer invasion with a "fifth column" in our midst, a "fifth column" of our own creation.

The one I speak of is the most difficult to rout by war measures, but the easiest to prevent by peace measures. The membership of this "fifth column" consists of the many who face a hopeless void; I cannot use the word "future" when I speak of them. To them with nothing to look forward to, nothing to lose, and nothing to gain by sacrifice, what matters it who controls the destinies of our country. Our precious heritage of free speech to men without work, to men with gnawing stomachs, to those who are the "Communists of hunger," which gives them the right to complain of their empty stomachs, would be willingly exchanged for a crust of bread.

This "fifth column" is the column of apathy. They are not the proponents of dissension. They are only uninterested in a future which is no concern of theirs. We must keep them part of this Nation. We must share with them our heritage of democracy, in its fullest sense. We must give them a future—it need not be glorious, nor romantic—but we must give them a future to replace the hopeless vacuum in which they now are. It is at this crucial time in our history, when we must gird our democracy against the prospect of foreign aggression, that some few refuse to give the President the vital and necessary power to keep 700,000 families out of the abyss of apathy, out of the nihilism of despair. If you favor an emergency expenditure of \$1,182,000,000 for military defense you cannot oppose, logically or emotionally, \$975,650,000 more to prevent a "fifth column."

Mr. O'CONNOR. Will the gentleman yield?

Mr. EDELSTEIN. I yield to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Does not the gentleman feel that the most dangerous thing in this country is seven or eight million hungry and empty stomachs?

Mr. EDELSTEIN. I concur in the remarks made by the gentleman from Montana. Seven or eight million empty stomachs is one of the most dangerous things for democracy. The only way to solve that problem is to have those people employed. They are not Communists, they do not believe in any "isms." In conclusion, may I say that unless we do something there is a danger of having "isms," communism, and the like, in the United States. If we are patriotic we should support the bill under consideration and any other bill which has for its purpose and object the granting of employment to the workers of America which private industry cannot take care of today. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, I do not think it was the intent of the Members of the House, in adopting the Emergency Relief Act of 1939, to discriminate against the less populated areas to the advantage of the larger cities.

However, this is exactly what has occurred in the Thirtieth District of Pennsylvania by giving the W. P. A. Commissioner discretionary power in fixing monthly earning schedules for persons employed on relief projects.

The provisions of section 14 (a) of the joint resolution now being considered are almost identical with the language of the present act, the administration of which in my district, I contend, violates not only the spirit but the literal terms of the law.

This proposed law, the same as the law now in effect, gives the Commissioner the power to fix monthly earning schedules which shall not substantially affect the current national average labor cost per person of the Work Projects Administration. It further provides that such monthly earning schedule shall not be varied for workers of the same type in different geographical areas to any greater extent than may be justified by differences in the cost of living.

Now, what has happened in my district under the present law, the terms of which this resolution would continue?

The W. P. A. Commissioner, despite the Administration's talk about higher wages, cut the W. P. A. laborer 27 percent, or from \$60 a month to \$42.50.

Sixty dollars a month is inadequate for any family to enjoy a decent living, yet the W. P. A. Administrator decides that \$42.50 is what the W. P. A. laborer is entitled to in my district. Gentlemen, this is a sad state of affairs to permit such a low standard of wages—it is starvation wages.

Under the power granted by the present law, which this resolution would continue, the Commissioner of the Work Projects Administration set up a wage scale on a population basis, which I contend—and I think you gentleman will agree—violates and is inconsistent with the principle of the law.

I have in my possession a letter from Mr. Fred R. Rauch, Assistant Commissioner, Work Projects Administration, in reply to one of my many protests to Commissioner Harrington. Let me quote a portion of this communication to corroborate my statement that the W. P. A. commissioner has set up a wage scale on a population basis. I quote:

Differentials are provided for between localities within a State according to the degree of urbanization, establishing four different security-wage levels for the following categories: According to counties in which the 1930 population of the largest municipality was (a) over 100,000; (b) from 25,000 to 100,000; (c) from 5,000 to 25,000, and (d) under 5,000.

There is the proof, gentlemen. The law is ignored. The wage scale is set up by the commissioner on a population basis and discriminates against the less populated areas to the advantage of the larger cities.

It was the intent of Congress that the Commissioner of Public Works should consider wage differentials according to the various classes of work only, and not to fix differentials between cities and counties on the basis of degree of urbanization or any other fact that would tend to discriminate against the less urbanized areas.

One of my cities falls a few hundred short of 25,000. I may say that I have the third largest district in Pennsylvania, containing 365,000 people. In another section of my district, where two political subdivisions are separated only by a street, the combined population is almost 50,000. Under Commissioner Harrington's wage schedule, he puts my district in his C category, or third classification group, with what he contends is a slight reduction in wages.

A cut of \$16, or 27 percent a month, is more than a slight reduction for the unfortunate man and his family who are dependent upon work relief for a livelihood.

I have appealed to the officials of the Work Projects Administration and even to the President to rectify this situation which contravenes the law. They are in sympathy, I am told. But, gentlemen, it takes more than sympathy to maintain a family.

In behalf of my constituents of the Thirteenth Congressional District of Pennsylvania and every man, woman, and child throughout the Nation who is suffering by the present unjust discrimination of the work-relief law, I implore you to support an amendment I will offer to provide a prevailing-wage rate, and thereby eliminate an intolerable condition imposed upon the unfortunate relief workers by the Work Projects Administration. [Applause.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 30 minutes to the gentleman from Louisiana [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, I take this time to comment on the report of the investigation of the W. P. A. as it applies to the State of Louisiana. The subcommittee

had investigations made of the W. P. A. in the District of Columbia, New York City, California, Connecticut, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Montana, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, and Washington; yet, Mr. Chairman, this subcommittee goes out of its way to refer to the State of Louisiana. I quote from the report:

The worst situation which the subcommittee's investigator encountered was in the State of Louisiana. If no other portion of the counsel's summary is perused, there is recommended at least a reading of that part and all relative comments and statements, both by subcommittee investigators and by W. P. A. officials. Those familiar with the administration of the affairs of that State by the regime which was recently repudiated by the voters of the State must realize the difficulties of operating a W. P. A. program with such sponsorship of projects.

I say, Mr. Chairman, that is going a little too far. To my mind, that is like striking below the belt. Why single out Louisiana? Did the committee know that practically 60 percent of the projects originated in the city of New Orleans, and were planned by a development and planning board? And 46 percent of the total W. P. A. employment? And the voters of the city of New Orleans, State of Louisiana, have never repudiated the city administration. If you will read this report, you cannot tack any irregularity onto the administration of the W. P. A. in Louisiana.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. I recall that on a trip to New Orleans a couple of years ago I wanted to see Mr. Seymour Weiss in New Orleans. The gentleman probably knows him. At that time he was chairman of the port authority. The evening I got there I read a statement that he had released that afternoon to the newspapers to the effect that they were laying off all but a very few of the W. P. A. workers then on the docks operated by the Port Authority of New Orleans, and these workers would not be replaced until the following fall, prior to election. I believe they were cut down to 3,000.

Mr. FERNANDEZ. The gentleman is absolutely mistaken about that, because the records will show that the Board of Commissioners of the Port of New Orleans sponsored only one very small project, and Mr. Weiss had no control over W. P. A. workmen.

Mr. BRADLEY of Michigan. I just want to tell what that gentleman stated to me. It so happened that I had a letter of introduction to him from a friend of his. I did not know the gentleman. He told me that the statement he had issued to the press was the absolute truth. He said, "Everybody down here knows how crooked our politics are, and we might as well not make any bones about it."

Mr. FERNANDEZ. May I say to the gentleman that the politics in Louisiana is no more crooked than the politics in the gentleman's own State.

Mr. BRADLEY of Michigan. The gentleman may be right about that, in the State of Michigan.

Mr. FERNANDEZ. I know it.

Let me read you a telegram from the mayor of the city of New Orleans:

Hon. JOE FERNANDEZ:

Informed House debate over relief bill will center on W. P. A. in New Orleans. It appears from press dispatches that charges are based upon biased report of House subcommittee investigating W. P. A., but real purpose is obviously a political attack against the national administration and Louisiana, singled out because of national publicity received in recent months. New Orleans depending on you and Congressman MALONEY to make strong rebuttal at the proper time in defense of the many worthwhile W. P. A. projects prosecuted here.

There is no doubt that it is politics. I see the gentleman of the Republican side from New York [Mr. TABER] looking at me. He always plays politics with relief bills.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the distinguished gentleman from New York.

Mr. TABER. The gentleman knows I have always stood for what I thought was right on relief bills and have dis-

regarded politics far beyond any other Member of the House, and that I have stood against racketeering in relief ever since I have been here.

Mr. FERNANDEZ. The gentleman's statement is startling and his innocence is amazing.

It is to the credit of my distinguished friend the gentleman from Missouri [Mr. CANNON] that he made a minority report, and what did he say?

The Louisiana charge of political complicity was wholly without foundation and no connection was ever found or could have been found between W. P. A. and local political factions. The Department of Justice made an exhaustive investigation of the State W. P. A. administrator and completely absolved him of any connection with local scandals.

I want to say right here and now that Mr. James Crutcher, the administrator of the W. P. A. in Louisiana, is one of the outstanding social workers, an outstanding administrator, and I will say further that during the 10 years I served in Congress and since Mr. Crutcher has been administrator, as well as the administrator before Mr. Crutcher, who was a bitter political enemy of mine, Senator Petermann, there has not been one man or one woman recommended by me for employment on the administrative roll of the W. P. A. in Louisiana, and I pay this tribute to him because the gentleman is entitled to it. During all the elections we have had in Louisiana for the past 6 or 8 years and during the administration of Senator Long we had elections practically every year, not once have charges been made against Mr. Crutcher that he had sided with one political faction or the other in Louisiana.

I want to say that Mayor Robert S. Maestri, of the city of New Orleans, who sponsors most of the projects in the State of Louisiana, is one of the outstanding mayors of the country. When he took command of the city of New Orleans he had a bankrupt city and, today, New Orleans is on a businesslike basis and on a sound financial basis, and yet that is the man who sponsors these projects for the W. P. A. in the city of New Orleans. Why, you talk about incompetence, graft, and corruption. Was there any graft or corruption in connection with the Louisiana projects? Yet you single out Louisiana in this report for political purposes. What about the other States? Did they sell any jobs or promotions in Louisiana? Of course, they did not. Did you find the existence of subversive activities in the State of Louisiana? Of course, you did not. Did you find any employment of persons not in need? Of course, you did not; and I observe from the debate today that the distinguished Republican gentleman from Illinois, minority member of the committee, is going to comment on Louisiana tomorrow. I want him to read this speech and I want him to answer these statements that I am making here today.

The statement is made in the report that the chief investigator of the House W. P. A. Committee charged that organized pressure groups of definitely left wing beliefs have exercised virtual control over many supervisory W. P. A. officials.

Did you find that in Louisiana? Of course not.

Counsel Roberts referred to a writers' project in Los Angeles as a training school for Communists; also members of the Communist Party received preference in the New York relief establishments.

You found no such condition as that in Louisiana, and yet you single out Louisiana in your report. For what? For political purposes. I say this is like hitting a man under the belt, and I regret the action of some of my Democratic colleagues on the committee, and I am a member of the Appropriations Committee, and some of them I know are not personally behind the President and his W. P. A. program and never have been and never will be.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. MARCANTONIO. I want to say in regard to that charge made in that report that subversive groups control the W. P. A. in New York City, in the words of Alfred E. Smith, "It's just a lot of 'boloney.'"

Mr. FERNANDEZ. I know; the whole report is a lot of "boloney."

Then there is a statement that they purchased 1,008 wheelbarrows for a project that employed only 108 persons. That did not happen in Louisiana.

Expending \$521,000 to build the Del-Mar, Calif., race track later leased to Bing Crosby and associates.

Colonel Harrington commented on that and said, "We were taken for a ride on that." Well, by golly, Colonel Harrington did not say he was taken for a ride on any project down in Louisiana, but this same Appropriations Subcommittee took Louisiana for a ride in their report.

Oh, of course, take that reference to Louisiana out of this report and where is the sensationalism? Where are the newspaper headlines? Where is the politics? This report would then fall as flat as a pancake, and my distinguished friend and colleague from New York knows that to be the fact.

I say it is unfair to single out Louisiana. Take the projects. Here is what Colonel Harrington said about the project that the committee seemed to take so much joy about reporting on. It is not in my congressional district. It is in Baton Rouge.

Considerable space in counsel's report is devoted to the W. P. A. program in the State of Louisiana. * * * I would like to emphasize the W. P. A. had no direct connection with these matters.

He was talking about the scandals in Louisiana.

Mr. George Caldwell, who was in charge of construction operations at the Louisiana State University at Baton Rouge, was the sponsor's representative on some quite large W. P. A. projects at that place, and was able to bring about improper use of W. P. A. labor and diversion of materials.

I again say that the W. P. A. is not involved in this project. A careful reading of the charges made by the committee investigators indicates only the most insignificant instances of misfeasance or malfeasance on the part of any W. P. A. official in the State of Louisiana, in proportion to the vast sums expended for relief of unemployment in the State of Louisiana, which can hardly be measured, and the only officials against whom charges were preferred were minor employees. On the other hand, the investigators themselves were obviously extremely careless in reporting their findings to the committee. For example, they reported to the committee that approximately 30 miles of streetcar rails had been removed in the Parish of Orleans and in the city of New Orleans by W. P. A., contrary to regulations.

It has been contended by the State administrator for Louisiana that the rails removed from the streets of New Orleans were removed in accordance with regulations which were in effect at the time the work was done, although existing regulations might have prevented such work being done. This statement of the State administrator does not appear to have been questioned by the investigators, but as an instance of the careless and gross exaggeration indulged by the investigators, it can be positively stated that only 12.1 miles and not 30 miles of rails were removed within the city of New Orleans by the W. P. A. at any time.

Another instance of gross carelessness is contained in the report of the investigators of Jackson Barracks. The investigator in this case reported to the committee that the work at Jackson Barracks done by the W. P. A. might have been done by private contract at a cost of approximately \$300,000, whereas the W. P. A. expenditure was in the neighborhood of \$1,700,000. The records show that the investigator in this case spent less than a week without assistance in checking up on this project. On the other hand, General Fleming, who was the adjutant general of the State of Louisiana in charge of the National Guard in that State, which sponsored the project, had an independent investigation made of the cost of this work by a noted consulting engineer, Mr. George P. Rice. Mr. Rice and four assistants spent 3½ weeks checking plans and specifications and the completed work at Jackson Barracks and reported to General Fleming that the cost of construction alone as done by the W. P. A. in connection with

Jackson Barracks should have been in the neighborhood of \$1,400,000. In addition to the construction there was a large amount of research and other work not included in Mr. Rice's figures.

The great disparity between \$300,000 reported by the investigator, who alleges that he spent less than 1 week without assistance on the job, and the \$1,400,000 estimated by a well-known established firm of consulting engineers, should furnish to any thinking person ample evidence of the irresponsibility of some of the investigators employed by the committee.

A great deal of the report made to the committee by the investigators alleges that W. P. A. funds were used for the purpose of improving undeveloped property and implies that this work was done for the benefit of private real-estate promoters. There is no restriction either in the law or in the W. P. A. regulations that prevents the improvement of undeveloped property provided there is diversity of ownership of the property abutting such improvements and provided that the property actually worked upon is owned by a public body. An investigation conducted by the Division of Investigation of the W. P. A. disclosed that all of the streets upon which W. P. A. prosecuted its street-paving program had been dedicated to the city of New Orleans; that such streets had been laid out in a plat of the city of New Orleans dated in the year 1925, 10 years before the W. P. A. came into existence; that there was a sufficiently wide diversity of ownership of the abutting property to fully warrant, under the W. P. A. regulations, the prosecution of this work.

I heard of the gentleman from New York [Mr. TABER] say this morning something about the rat-catching projects in New Orleans, that they did not do a thing but just catch rats, just put men on the pay roll. Of course the gentleman did not state a fact, and I am sure the gentleman from New York did not mean to convey that impression to the House, because that is not true and the record shows it is not true, and the hearings show that it is not true.

The committee's investigators were misled on that project, and I will prove it in a minute.

Another project which came in for misleading criticism by the committee investigators had to do with rodent control in the city of New Orleans. The report of the investigators claimed that the cost of destroying one rat amounted to \$2.97, and implied that this was the sole purpose to be accomplished by the project. As a matter of fact, the project was a health project for the city of New Orleans and embraced measures for the prevention of bubonic plague, spotted fever, and typhus. It involved complicated research work by public-health authorities, inspection of incoming vessels, and numerous other kindred activities. The physical destruction of rats was one of the minor functions performed by the workers on the project. Incidentally, the project was approved by the United States Public Health Service, and strenuous efforts have been made to get it reopened by that body.

These are only a few instances out of the many cited by the committee investigators carrying misleading implications and untrue accusations. It is not meant to state that all of the work done by W. P. A. in Louisiana or anywhere else was perfect and that mistakes were not made. It is contended, however, that emphasis all out of proportion to the justification based upon actual facts has been placed upon W. P. A. operations in the State of Louisiana. It is also desired to state without qualification that some of the finest projects consummated anywhere in the United States by the W. P. A. have been sponsored and supported by the city of New Orleans and by other municipalities and public bodies in the State of Louisiana.

I want to repeat that I think my fellow members on the Appropriations Committee and some of the members of the select committee to investigate W. P. A. went out of their way in their report about conditions in Louisiana. You will not find in that report and you will not find in these four volumes of hearings anything any different in Louisiana insofar as W. P. A. is concerned and the personnel is concerned than in

any other State that the committee investigators investigated.

As I said before, like striking a man below the belt, they comment on the fact that we had an election in Louisiana and that the crowd in power in the State was let out, but, as I pointed out, 60 percent of the projects in the State of Louisiana originated in New Orleans, and the organization in power in the city of New Orleans has the respect and confidence and esteem of the people of the city of New Orleans. My own congressional district gave seventeen to eighteen thousand majority for the candidate that I supported, the then Governor of Louisiana.

I say, for partisan politics, they went a little too far. I hope that my distinguished friend, the gentleman from Illinois [Mr. DIRKSEN], who has been selected by the Republicans to speak on Louisiana and the investigation, will do me the courtesy of reading my speech in the RECORD tomorrow morning. There is no denying it—this is a political matter. As I said before, the innocence of my distinguished friend, the gentleman from New York [Mr. TABER], is amazing when it comes to politics in relief, and his statements are startling. [Applause.]

EXTRACTS FROM COLONEL HARRINGTON'S TESTIMONY BEFORE HOUSE COMMITTEE INVESTIGATING RELIEF

LOUISIANA

Considerable space in counsel's report is devoted to the W. P. A. program in the State of Louisiana (pp. 1-10). Public attention was recently focused on the State of Louisiana due to scandals which occurred in connection with certain State officials. I would like to emphasize that the W. P. A. had no direct connection with these matters. An employee of the State of Louisiana, Mr. George Caldwell, who was in charge of construction operations at Louisiana State University at Baton Rouge, was the sponsor's representative on some quite large W. P. A. projects at that place and was able to bring about improper use of W. P. A. labor and diversion of materials.

Mr. Caldwell, who was involved in irregularities reported in a number of our cases, has pleaded guilty on some 36 counts in indictments and has been sentenced to imprisonment. Practically all of the sentences are to run concurrently and the total maximum imprisonment will be 4 years.

Two other representatives of the sponsor on this project have also pleaded guilty; namely, E. N. Jackson and Eugene Barksdale; and a W. P. A. employee, Mr. Mark L. Monget, a project superintendent, was dismissed in connection with this project.

I again want to emphasize that the principal offenders who conceived, directed, and profited from the irregularities at Louisiana State University were the sponsor's representatives and that no serious improprieties were committed by any W. P. A. official in a high position. I want to say, however, that in the conduct of W. P. A. in Louisiana, over the past 4 years, I am willing to state this, very frankly, that I am not satisfied with the past administration of the program in that State. The irregularities which occurred at Baton Rouge should have been detected sooner than they were if the State administration had been alert, and the same is true in connection with certain other projects in Louisiana. All I can say in this connection is that drastic steps to correct this situation have been taken, which extend to the removal of the State director of operations, the reorganization of the Operations Division and the district offices, and the employment of a number of experienced and well-qualified engineers on the W. P. A. program.

I will submit for the record detailed comments on the items which occur in the counsel's report relative to projects in Louisiana, but there are some of these items upon which I wish to make a comment at this time.

Lake Front development project—New Orleans

The counsel's report implies that participation by the W. P. A. in connection with the lake-front development project in New Orleans may have been illegal and that nowhere in the project application is there any reference to a real-estate development project.

An act of the Louisiana legislature, which was ratified by a constitutional amendment in 1898, established the New Orleans Levee Board, sponsor of the project. A constitutional amendment in 1928 authorized the levee board to, among other things, borrow money, issue bonds, and develop five zones of real property and to apply the proceeds from the sale of these properties to the liquidation of its bonded indebtedness. The legal authority of the board to engage in the real-estate business has been upheld by the Supreme Court of Louisiana, and the case was affirmed in the Supreme Court of the United States.

The files of the W. P. A. Division of Operations contain project proposals in which it is definitely stated that certain salable areas are to be placed on the market and that the proceeds are to be used in the development of adjoining areas. I personally was quite familiar with this project and the work that was proposed to be done, and at the time it was approved and at the present time I consider it a worth-while development of housing in New Orleans.

Yacht-basin project

In connection with the yacht-basin project mentioned on page 8, the charge is made that private property would be benefited by W. P. A. work at the municipal yacht basin adjacent to a private yacht club in New Orleans. Investigation revealed that there were tentative plans whereby land owned by the private club was to be conveyed to the city in return for which the members of the club would be charged a smaller mooring fee than that charged to the general public. When this came to our attention, the city, at our request, adopted an ordinance to the end that no special privileges be granted with respect to the use of the yacht basin. This ordinance, passed by the City Council of New Orleans on November 3, 1939, adequately protects the public interest by precluding the discrimination in the use of this facility between the general public and members of the yacht club. No work was performed on any private property in this connection.

Mr. WOODRUM. You think that project is O. K., too, do you?

Colonel HARRINGTON. Yes, sir. If it is not, I would certainly like to know it.

Mr. WOODRUM. I just wanted to know what you thought.

Rail removal

Colonel HARRINGTON. Rail removal is mentioned on page 1. The counsel's report alleges that W. P. A. has removed streetcar rails in New Orleans when in fact the Public Service Corporation was obligated to do this work. This matter is under investigation at this time, and I want to assure the committee that a demand for full restitution of Federal funds will be made upon the city if it is determined that the expenditure of our funds was for the benefit of the Public Service Corporation and not in the public interest.

Jackson Barracks projects

The W. P. A. projects in Jackson Barracks, La., are mentioned on pages 5 to 8. These were sponsored by the adjutant general of the Louisiana National Guard and were for the improvement of public property and were entirely legitimate and legal projects.

The statement is made in connection with them that the amount of money reported to have been expended on the projects at Jackson Barracks could not possibly have been spent. In this connection I wish to insert in the record at this point a report submitted by Mr. George P. Rice, consulting engineer, New Orleans, to the adjutant general of the State of Louisiana. Mr. Rice is not connected in any way with the W. P. A. and his appraisal is therefore an independent one. In substance, his report states that the funds shown as expended upon these projects secured reasonable results and that the unit costs of the work performed were not excessive. Specifically, he states as to the rehabilitation of buildings—

"that on all the work performed on these structures from installation of foundations to final painting, the materials and workmanship both are unquestionably better than would normally obtain under condition of general contract."

(The report of Mr. Rice above referred to is as follows:)

FEBRUARY 21, 1940.

Re Jackson Barracks, W. P. A. improvements.

Adj. Gen. RAYMOND H. FLEMING,

Louisiana National Guard, Jackson Barracks, New Orleans, La.

MY DEAR GENERAL: During the past 3½ weeks we have been in the process of making a physical examination and survey of the various improvements undertaken by the Work Projects Administration in connection with the above, and our findings are herein reported in accordance with your request. These findings are based upon careful examination, measurement, and count, etc., of all work performed, and to assure against inclusion of any improper items of work, Mr. Robert Guirchard, superintendent, and Mr. Louis Padilla, engineer, of the local W. P. A. organization, were both consulted.

1. The construction, remodeling, and rehabilitation of buildings constitute the largest item of cost. In the absence of time and facility to make complete and detailed estimates of costs of work performed upon each individual building, the value of same was determined upon the basis of square-foot floor area of each structure. The value of work performed in the construction of the administration building has been taken at \$4 per square foot and on all of the other structures at an average amount of \$3 per square foot.

A large portion of the buildings rehabilitated were originally long barrack structures of simple, unfinished type, which were cut into sections and moved to new and isolated locations. Such rehabilitation involving new foundations, interior finish, installation of plumbing and electric lighting, etc., building of porches, reroofing, etc., was practically equivalent to complete new building. Rehabilitation of some buildings, however, involved less extensive work except for painting, modernizing of plumbing, and general repairs. Restoration of the fine ante bellum brick structures, including installation of modern plumbing and wiring, etc., and replacement of deteriorated timbers, flooring, and partitions was unquestionably equivalent to the complete rebuilding of these buildings.

All of the work performed on these structures from installation of foundations to finish painting, the materials and workmanship are all of the highest order. In fact, the construction and workmanship both are unquestionably better than what would normally obtain under condition of general contract, and in consideration of same and the work performed, it is felt that the unit

price of \$3 per square foot hereinabove given is most fair and conservative.

2. Proper development and utilization of the site necessitated a considerable amount of grading, and though cost of same was appreciable, said grading was very necessary, and did greatly enhance the value of the property.

3. Prior to the undertaking of this work, the existing utilities were very few and deficient. Complete and modern sanitary sewer, drainage, gas, water, and electrical distribution were accordingly installed and the costs herein given for installation of these utilities are comparable to general contract costs.

4. Complete rearrangement of improvements upon the site and lack of pavement prior thereto necessitated construction of new streets and roadways. All streets and roadways were installed, are of permanent, first-class construction, and include proper gutters, curbs, and sidewalks, etc.

5. In keeping with the purpose of this institution, fences of variable design and construction were built at required locations. For the most part fencing is of brick construction with ornamental iron gates. The design and workmanship of these fences and their gates are generally of the highest order and are comparable to the finest existing in this locality.

6. No attempt has been made to determine anything definite with respect to the landscaping of this site. We are, however, advised that approximately \$40,000 was expended in the planning and raising of about 50,000 trees and shrubs.

7. Summarization of costs hereinbelow tabulated are based upon the quantities given in accompanying data sheets. Complete detailed data for verification of these quantities is available upon request. The units of cost applied to the basic quantities given are subject to slight variation dependent upon individual judgment and experience. The quantities herein referred to were, however, carefully compiled and are beyond the bounds of dispute.

Summarized estimate of costs

Buildings	\$896,251.00
Earthwork	109,224.00
Sewers and drainage	38,790.20
Gas and water mains	20,164.20
Electrical distribution	25,441.11
Pavement	60,461.95
Fencing	40,004.52
Landscaping	40,000.00
Miscellaneous	3,145.00
Total	1,233,481.93
Contingencies, overhead and engineering costs, 15 percent	184,922.30
Total estimated cost	1,418,404.28
It is hoped that the above meets with your needs at this time.	
Very cordially yours,	

GEORGE P. RICE,
Consulting Engineer.

Mr. WOODRUM. On the Jackson Barracks, you see nothing wrong with that?

Colonel HARRINGTON. No, sir.

Mr. WOODRUM. You think it is O. K.?

Colonel HARRINGTON. As far as I have been able to find out.

RODENT CONTROL

In connection with the comments on the rodent-control project which was previously operated in New Orleans, the statement is made that the cost of carrying on the project was \$2.97 per rat exterminated. As a matter of fact, the unit cost was very much below this figure, which, however, has little to do with the case. The facts are that in addition to the trapping of rats and placing poison in infested buildings and areas, the project involved spraying to eliminate mosquito larvae, inspection of vessels in the port, and laboratory examination of trapped rats for discovery of disease germs in order to eliminate the source of such disease germs. Anyone familiar with sanitary conditions in the city in question, including the method of garbage disposal, should be willing to commend highly this type of project.

However, I was not satisfied with the operation of this project and closed it down while I was Assistant Administrator. However, projects of this nature, properly planned and operated, are of great importance in areas of the country where typhus fever is prevalent. I have in my office charts for certain Southern States which show that the typhus rate has declined almost in proportion to the work of the W. P. A. in rat extermination. I am at the present time considering an extension of these projects under proper planning and in collaboration with the Public Health Service.

The counsel's report, on page 9, contains certain remarks relative to Mr. J. Hampton Reynolds, of New Orleans. The only portion of this with which I am concerned is the statement that the records show that Mr. Reynolds dominated the W. P. A. in New Orleans. Mr. Reynolds was the city's representative in connection with some of the larger projects in New Orleans, but received the same treatment as any sponsor's representative. I have no knowledge of Mr. Reynolds' personal or private business affairs, which are mentioned in the report.

A statement on the material discussed above follows:

LOUISIANA

COMMENTS OF JAMES H. CRUTCHER, LOUISIANA STATE WORK PROJECTS ADMINISTRATOR, CONCERNING THE REPORT BY J. O'CONNOR ROBERTS, COUNSEL, SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS INVESTIGATING W. P. A. ACTIVITIES

(Comments in parentheses added by Washington W. P. A. office)

City-wide street-paving projects (p. 1, counsel's report)

1. Expenditures: The expenditures shown are correct as of August 31, 1939.

2. Car-rail removal: Under the operation of the series of city-wide street-paving projects in New Orleans, during the period from April 1, 1937, to November 5, 1938, 12.1 miles of streetcar rails—which were the property of the city of New Orleans—were removed from streets under the operation of four separate units. (As indicated in statements made to the committee April 22, 1940, this matter is currently under W. P. A. investigation.)

3. Inability of the city of New Orleans to meet sponsor's contribution: Back in 1935 and 1936, there were over 30,000 needy certified workers in the city of New Orleans for whom employment had to be furnished, and at that time the city of New Orleans was not in a financial condition to meet their pledged contribution to this project. Since that time conditions have gradually improved to such an extent that, as of August 31, 1939, the sponsor's contribution amounted to \$2,921,316.44, as compared to W. P. A. expenditure of \$10,470,731.89, or the sponsor's contribution was equal to approximately 22 percent of the total expenditure made on this series of projects up to August 31, 1939. This is compared to the pledged percentage of sponsor's contribution of 25.4 percent as set out in the project proposals covering this same group of projects.

4. Asphalt contracts: Asphalt contracts for this series of projects were awarded by the Procurement Division of the United States Treasury Department in accordance with specifications prepared by the city of New Orleans and adopted by ordinance No. 14443, commission council series, dated August 21, 1936. This ordinance, which covered detailed specifications for the asphalt to be used on the New Orleans city streets—which was approved by the Louisiana Highway Commission and the Bureau of Public Roads—contains the following paragraph J: "The asphaltic limestone described in paragraph (b) shall be the product of a quarry that has produced asphaltic limestone having characteristics as specified herein, that has been successfully used on city street paving for a period of not less than 3 years."

Invitations were sent to an average of 40 bidders on each contract awarded and, in no case, did any prospective bidder receiving this invitation protest as to the restrictive nature of the specifications until protest was received from Mr. Edgar J. Kelly—as set out in the report of the investigators.

Following this protest the specification was immediately removed, in that the ordinance was amended so as to remove the restrictive clause complained of, and all subsequent purchases made by the Procurement Division of the United States Treasury Department for this Administration were based upon a specification identical with the specification contained in the ordinance referred to, except that the restrictive clause was removed.

(From information secured July 7, 1939, by the W. P. A. Division of Investigation from the protesting bidder it was apparent that the matter concerned primarily the alleged restrictive specifications written by the sponsor, and since purchases are not made by the W. P. A. but by the Procurement Division, the matter was not within the jurisdiction of the W. P. A. Division of Investigation. It was therefore referred to the United States attorney under date of July 17, 1939, for appropriate action with respect to monopoly charges.)

5. Development of private property: A portion of the improvement to streets and sidewalks made under the operation of this series of city-wide projects was unquestionably made within blocks where there was no development, but in each such instance the development was made for the purpose of connecting fully settled areas through the medium of a connection running through a sparsely settled area and the effect of the improvement made was to accrue primarily to the benefit of the thickly settled area. Such a condition must necessarily exist in any city.

There appears to be no question as to the legality of the expenditures made and administrative determinations with respect to the advisability of work presented as a public project must be made by State administrators with due recognition to the fact that private benefit may be incidental to public benefit.

6. W. P. A. maintenance garage: W. P. A. services and repairs the trucks owned by the sponsor, the city of New Orleans, and operates exclusively in connection with W. P. A. projects. The cost of such servicing and repairing is recorded and the amount of such cost deducted from the amount of credit allowed the sponsor for their contributions to the project so that in the ultimate the cost of this work is borne by the sponsor and the convenience of having the work done when and as it is needed is gained by the W. P. A.

It was contemplated that the W. P. A. would build a temporary garage to supplement the facilities already in existence, to be used for the repairing of automotive equipment, but not providing materials. The sponsor provided materials of a more durable nature so

that the building would be more of a permanent structure, with the result that it is now being used as a unit of the State supply fund project.

7. Work other than designated in approved projects: The description of the city-wide paving project provided for work within the city limits of New Orleans. At the time the project was approved the establishment of project units to be operated was optional with the sponsor and the local W. P. A. administration.

8. Transfer of funds: There have been no funds transferred between official projects and no administrative personnel paid from street-project funds.

Park projects sponsored by City Park Commission of New Orleans (p. 2, counsel's report)

1. Expenditures: The expenditures shown are correct as of August 31, 1939.

2. Work on one project charged to another: The park projects as approved by Washington originally consisted of 12 separate and distinct projects approved under the 1935 Emergency Relief Appropriation Act. After a short period of partial operation, Washington suggested the consolidation of certain of these projects which resulted in reducing the number to 9, but did not alter the quantity and scope of work included in the original group of 12 projects. For this reason there would naturally be some difficulty in determining definitely where a particular item of work, prosecuted at the beginning of the operation of this group, might belong.

At the time these projects were operated, transfer of funds from labor to nonlabor, and vice versa, were allowed; provided that such transfers did not change materially the original labor and non-labor ratio as approved.

3. Yacht basin abandoned: The abandonment of a particular item of work included within the project scope in nowise creates a prohibition against the expenditure of the funds approved for that particular item, provided that such funds are used for the completion of another item relevant and necessary to the work included in the project.

4. Indefiniteness as to work to be accomplished under project proposal: The projects were approved under the 1935 act and were within the scope and intent of the original approval. At that time project proposals in certain cases were drawn up in general terms in order to promote the flexibility necessary to permit giving jobs as rapidly as possible to the large numbers of needy persons awaiting assignments. (All project authorizations approved under the 1935 act were rescinded as of October 31, 1939. The data required for submission with project applications and the procedure followed in the release of operating units under current regulations are covered in statements previously made to this committee.)

Lake-front development, Lake Pontchartrain, sponsored by Orleans Levee Board (pp. 3 and 4, counsel's report)

1. Expenditures: The expenditures shown are correct as of August 31, 1939.

2. Description: The description given is only partially correct. The lake-front development is not a project for the reclaiming of lands adjacent to Lake Pontchartrain. The lands adjacent to Lake Pontchartrain had, a number of years previous to the initiation of W. P. A., been reclaimed by the levee board by several different contracts, and the W. P. A. projects approved for operation were only for the purpose of improving land already reclaimed. Otherwise, a blanket description of the work authorized for performance under the several projects, constituting the lake-front development work, might be generally divided into three phases of (1) public-park area; (2) publicly owned residential subdivision development; and (3) public recreational area.

3. Lawful authority of levee board: The attorney general of the State of Louisiana has rendered an opinion that the Orleans Levee Board, a political subdivision of the State of Louisiana, is empowered with the full legal authority to sponsor W. P. A. projects.

4. Sponsor's contribution: Available records do not indicate that the sponsor was allowed credit for sand fill at excessive rates. The credits allowed were substantially in conformance with local prevailing rates for such material and in accordance with comparable unit costs for obtaining such materials, both by means of the hydraulic fill method and by trucks loaded from other sources.

No W. P. A. trucks were used in connection with any project operations; all trucks being furnished by the sponsoring agency. Such job records as were necessary were kept in order to segregate W. P. A. operations from any other work in progress in the vicinity and adequate control was maintained over such operations at all times.

5. Real-estate development: Although no specific reference to a residential subdivision was made in the project application, the development of a certain portion of the lake front as a public residential subdivision was clearly outlined and established by the submission of project proposals, plans, specifications, detailed prospectus, together with other supporting data submitted to this administration, and which formed an integral part of the project application.

The Work Projects Administration has not been maintaining streets and utilities constructed in this publicly owned residential subdivision.

The only utilities installed consisted of storm and sanitary sewers, together with water mains and fire hydrants. No street

lights or power lines were installed by the W. P. A. in this residential section.

6. Amusement park: Reports of the Division of Investigation showed that Harry J. Batt Co., entered into a lease with the Orleans Levee Board, whereby the company would operate all concessions and devices at the amusement park at Lake Pontchartrain, with the exception of that portion of the park constructed by the W. P. A. The Orleans Levee Board advised that the lease covered no improvements constructed by the W. P. A. and that all operations of the amusement park constructed by the W. P. A. would be maintained and operated by the sponsor.

7. W. P. A. furnished the levee board with engineers and other personnel: The W. P. A. did not furnish the levee board with any engineers or personnel. Due to the number of large projects operating on the lake front, there were assigned to the projects necessary engineers, draftsmen, and other personnel whose services were required to prepare necessary detailed working plans, etc., which work was done in office space furnished by the Orleans Levee Board.

8. Maintenance: The facilities constructed in this park have not been maintained by W. P. A.

9. Negro bathing beach—dispute re title of property: W. P. A. Form 301 dated December 3, 1937, signed by the president of the board of commissioners for the Orleans Levee District, certified that the property on which the project will be conducted is owned by the board. The proposal, however, was accompanied by an affidavit as to the ownership of property in which the statement was made over the signature of the president of the board that the property on which the work was to be prosecuted was publicly owned and the title was vested in the board of levee commissioners, Orleans Levee District, with the exception of the Negro beach playground. An additional affidavit concerning the Negro beach playground stated that the property involved would be donated to the city of New Orleans for public purposes on approval of the application. Prior to the initiation of work this provision was carried out and records on file in the State office indicate that the property was actually donated to the city of New Orleans, accepted by the council through the adoption of a city ordinance and necessary authority was granted to the levee board by the city of New Orleans for the development of the proposed improvement, all of which is located on publicly owned property and will be operated and administered for the benefit and use of the general public.

10. Abandonment of shelter house: Shelter house No. 2, located on the lake front, was completed and turned over to the levee board and accepted by them as a satisfactorily completed facility. Information has been received, however, to the effect that the shelter house has not been abandoned, but that its use has been temporarily suspended and the facility will be reopened for public use when considered justifiable by local conditions.

11. Open-air theater: The levee board did submit a project for an open-air theater on which there was some question of eligibility with the result that the project was never approved.

12. Work not covered by board's prospectus: This Administration is unable to locate any evidence indicating that work was done on the lake-front development by the city-wide street project.

Sewer and water-main projects sponsored by the Sewage and Water Board of New Orleans (p. 5, counsel's report)

1. Expenditures: The expenditures shown are correct as of August 31, 1939.

2. W. P. A. materials stored in sponsor's yard: The storage yard of the sponsor, the sewage and water board, was used for the reason that it provided facilities for the unloading of carload shipments, and further provided watchman protection for the materials so unloaded. The materials were so piled that there was no commingling of the sponsor's material with the W. P. A. materials, and the location of the sponsor's storage yard was convenient and accessible to the operation of the project.

Records were kept of receipts and withdrawals for use, and no loss resulted from this practice, and the material remained at all times in the custody of the W. P. A.

3. Generality of project description: The particular case cited in this paragraph has to do with a change made in the description of a project submitted for approval.

The description submitted specified certain streets on which the project was to operate. In accordance with practice followed at that time, the description was revised so as to fix the limits of the project's operation within a specific area instead of confining it to special streets in order to increase the flexibility of the project for W. P. A. operation.

(In order to simplify administrative procedures official project descriptions are made sufficiently broad to cover modifications in plans which may become necessary during preparation of final engineering details. Release for operation of work units, however, is subject to the controls described in previous statements to this committee.)

4. Surplus materials, disposition of, unknown: Where surplus material existed it has, through the use of the proper forms, been transferred to other projects where it can be used.

5. House connections: It has been the policy of this Administration to install house connections only up to the property line, and this policy has not been deviated from.

Jackson Barracks project sponsored by the Louisiana National Guard (p. 5, counsel's report)

(Sections in parentheses have been added by the Washington office.)

1. Expenditures: The expenditures as shown are correct as of August 31, 1939.

2. Description: The statements in this paragraph are substantially correct.

(It was determined that the adjutant general for Louisiana was an acceptable sponsor for these projects. The W. P. A. has no jurisdiction over the accounting for receipts from rental of quarters to National Guard officers.)

3. Nature of projects: The operations of these projects include work on buildings, some new, some completely rehabilitated, and some receiving repairs and modernization, and in addition, the rehabilitation of approximately 40 acres of swampland and the building of a wall around almost the entire reservation. Otherwise, the nature of the projects is substantially as stated except that it should be noted that the majority of the buildings included in this reservation are at least 100 years old and of a type of construction which has been obsolete for a good many years.

4. Transfer of funds and duplication and overlapping of projects: It is, of course, beyond the power of this administration to transfer funds from one project to another. As to the overlapping of items between projects, it is true that certain items have overlapped on various projects, due to the fact that the entire estimated quantity of work to be done of a certain character was not completed under the project in which it was originally included, this being due primarily to the impossibility of making accurate estimates of repairs and renewals to buildings of the character included within this reservation. The millwork and other construction features being of an obsolete type, they were difficult to replace or renew. Accordingly, it was necessary to include again a portion of this work in the succeeding project, hence the overlapping. It is true that no expenditure records were maintained for the individual units of work listed in the project proposal. The financial records were maintained on an official project basis only.

5. Transfer of materials: (The only cases involving shortage of materials at Jackson Barracks were investigated by the W. P. A. and resulted from charges made by Robert Mogel, former stockroom clerk, on that project.) This man's work record is as follows: On February 7, 1936, he was assigned as a W. P. A. electrician's helper on the Jackson Barracks project at a salary of \$57.20 per month. On June 9, 1936, he was assigned as a clerk in the electrical supply room with an increase in salary. (This was after he had made his original complaint and after the inquiry by State W. P. A. officials.) On July 27, 1936, the record shows: "Resigned. Leave of absence granted for indefinite period." He was reinstated on September 22, 1937, as a junior clerk, Weather Bureau project, and removed on June 30, 1938, when he received employment with the United States Engineers. He was again reinstated on September 6, 1938, as a junior clerk on the Historical Records project, and has since been employed as a junior clerk on the Veterans' Grave Registration project. This man's work record definitely disproves the charge that he was fired for registering complaints on shortage of materials. (The charges regarding the shortage of materials are treated under No. 8 below.)

6. Work on private property: It is admitted that a small expenditure was made for the moving of certain buildings and fences that encroached upon the property of this reservation. It was found necessary and proper to perform this work as incidental to the successful completion of the public project.

7. Sponsor's contributions: This charge is untrue. The amount allowed to the sponsor as a credit for contributions made to this project were checked and approved on the basis of current regulations.

8. Diversion of funds and materials: (The charges that there have been shortages of materials on the projects at Jackson Barracks have been investigated by the W. P. A. Division of Investigation and re-investigated, and no evidence of shortage of materials was found.)

General: The first application for improvements to and rehabilitation of Jackson Barracks Military Reservation was submitted during the first few months of the existence of this administration, and was approved December 12, 1935. This application was for only a small portion of the potential work that could be performed on the reservation. This reservation contained approximately 87 acres of land, over 3 miles of roadway, 2 miles of sewerage lines, 3 miles of water lines, and approximately 80 building structures.

All of these facilities were in a general state of disrepair. The first estimates of work to be performed were necessarily preliminary, and provided for only a portion of the work, and there had been no opportunity to definitely determine the priority to be given to the various units of work which could be undertaken by the sponsor. At that time the main problem was to provide public projects in order to place unemployed persons at work. Subsequent applications were approved October 26, 1936, August 17, 1937, April 12, 1938, and August 8, 1938, to provide for the completion of work on which more accurate estimates had been prepared and for the additional work necessary which the sponsor had determined it would be possible to undertake.

The major items of the work completed include 4,200 lineal feet of brick wall enclosing the reservation, 13,673 lineal feet of 4-inch water line, 8,524 lineal feet of 6- and 8-inch storm and sanitary sewers, approximately 10,000 lineal feet of overhead and underground electrical distribution lines, 50 light standards, 6,000 lineal feet of gas line, 46,668 square feet of concrete walks, 13,735 lineal

feet of curb and gutter, 48,300 square yards of rock and shell roads, 34,000 square yards of priming for asphalt surfacing, 117,370 cubic yards of fill, and grading and landscaping of approximately 50 acres. Twenty new buildings were constructed, having a content of approximately 1,364,000 cubic feet. Twenty-two buildings were renovated, containing a total of 441,646 cubic feet; 36 buildings were reconstructed, containing a total of 1,551,312 cubic feet; and 5 buildings were demolished. With further reference to the 36 buildings which were reconstructed, 2 of these were large two-story 1917 soldiers' barracks buildings. These 2 buildings were cut into 4 and 3 sections, respectively, moved to various locations of the reservation, and reconstructed into 7 buildings to be used as officers' quarters.

The committee counsel's report indicates that 1 week was spent by an investigator inspecting the work that had been performed over a period of 4 years. It is certain that no engineer, regardless of his qualifications, could inspect or estimate the quantity and value of the amount of work which had been performed within the period of time spent on this investigation.

(It was stated to the committee by the investigator that if work had been done under contract, the cost probably would not have exceeded \$300,000, and that a fair cost for performing work of relief labor would be not over \$500,000. No evidence had been presented to show that these figures are based on any data that would be valuable in reaching a determination of a fair cost for the work performed.)

The adjutant general of the State of Louisiana, Raymond H. Flemming, responsible for the expenditure of funds, development, care, and preservation of property in his custody, employed the services of one of the outstanding engineers of New Orleans, Mr. George P. Rice, to make a survey of the work done within the reservation. Mr. Rice, with the aid of four engineers and clerical help, spent a period of 3½ weeks making a study and estimate of the work that had been accomplished in the operation of these five projects for Jackson Barracks. Mr. Rice has made his report to General Flemming.

(The report from Mr. Rice is contained in his letter to General Flemming of February 21, 1940, and this letter has been included in the presentations previously made to this committee.)

(An exception to the report from Mr. Rice has been taken by the committee's investigator, who indicated that that report apparently did not include an audit of funds, labor, and materials used. It is clear from the language of Mr. Rice's report that it provides an estimate of a fair cost for doing the work involved. However, it must be recognized that any figures prepared 6 months to 3 years after work is actually performed cannot take into consideration the conditions under which the work was done. The actual cost is within reasonable bounds and in line with the estimates originally submitted with the application.)

(Another exception taken by the investigator to the report from Mr. Rice is the method used by the latter for computing building costs. The investigator stated, "Square-foot calculations are never used for construction estimates of structures." It is generally known by those acquainted with architectural and construction work that the square-foot basis is in common usage throughout the United States. It is used both for estimating construction costs and in determining rental values.)

(A third exception taken by the investigator to Mr. Rice's report was the question of landscaping and the planting of 50,000 trees and shrubs. In view of the magnitude of this item of work, a nursery was established and operated. During the operation of the nursery approximately 150,000 trees and shrubs were propagated, and, of this number, approximately 50,000 survived and were actually transplanted. Of the 50,000 trees and shrubs, mortality was approximately two to one, and there are now in existence approximately 15,000 trees and shrubs on the reservation in addition to 1,000 additional trees which were transplanted from other sources. This part of the work also included the pruning and trimming of some 2,000 trees which were on the reservation before work was started by this administration. At the present time there are approximately 18,000 trees and shrubs within the reservation.)

Rodent control project sponsored by city of New Orleans (p. 7, counsel's report)

1. Expenditures: The expenditures as shown are correct as of August 31, 1939.

This project provides not only for the eradication of rodents in the city of New Orleans but also for mosquito-pest control and eradication of ants. The rodent-control phase represented the major portion of the activity. The most important phase of the rodent-control work was location and inspection of rat harbors and breeding places, and the reporting of such locations to the New Orleans Board of Health, who, by city ordinance, were empowered to compel property owners concerned to take necessary steps for rat-proofing their premises in order to destroy the harbors.

Other work also conducted was of the laboratory-research nature, inspection of incoming steamships, and the actual trapping and poisoning of the rodents.

Since the current physical extermination of the rodents represented one of the lesser activities, the cost per rat exterminated, computed from expenditures and number of rats taken, would not only be misleading but a total understatement of the project's value from a public-health standpoint in preventing the spread of typhus fever, Rocky Mountain or spotted fever, and/or bubonic plague.

It is emphatically denied that primaries and elections in Louisiana have had anything to do with fluctuations in employment on this project or any other project.

Beautification projects sponsored by Parkway Commission of New Orleans (p. 7, counsel's report)

1. Expenditures: The expenditures shown are correct as of August 31, 1939.

2. Description: The description cited is substantially correct.

3. Sponsor's contributions: The sponsor, the city of New Orleans, is continuing to maintain the work done under the operation of these projects.

4. Unauthorized work: Sidewalks, curbs, and roads were built under the operation of these projects for the reason that the Presidential letter providing for beautification, although omitting specific reference to the construction of sidewalks, curbs, and roads, was interpreted to include appurtenant and incidental work to the general purpose of the project, and for this reason the type of construction cited was considered as being eligible for the project's operation. The project records do not indicate that any rails were removed under the operation of these projects.

The city of New Orleans, with its numerous exceptionally wide main thoroughfares, such as boulevards and avenues with two traffic lanes separated by a wide neutral ground, as well as numerous small parks and recreational areas, lends itself admirably to a program of beautification. In beautifying these neutral grounds and small parks, it was often necessary, in order to carry out the scheme of beautification, to include the installation or reconstruction of curbs, gutters, sidewalks, and roads as a necessary and incidental part of the improvement.

5. Transfer of materials: Materials were transferred from one project to another by means of prescribed forms or documents required by W. P. A. regulations.

6. Purchase of plants and shrubbery: All purchases of material for use on these projects were made by the Procurement Division of the United States Treasury Department on open competitive bids. Requirements were advertised and sealed bids received, and in each instance a contract was awarded to the lowest bidder complying with the terms of the specifications.

Algiers Park project sponsored by the city of New Orleans (p. 7, counsel's report)

1. Expenditures: Expenditures as shown are correct as of August 31, 1939.

2. Description: The project description as cited is substantially correct.

3. Sponsor's failure to maintain project after work done: This charge is true. Repeated efforts have been made by this administration to the end that the sponsor, the city of New Orleans, might maintain this park as a useful entity, and up to this time such efforts have resulted in complete failure.

4. Inaccessibility: This charge is substantially true. This project was one of the first projects undertaken by the W. P. A., and was presented to this administration by the city of New Orleans as a most desirable undertaking.

The project was approved and work started on October 22, 1935, being sponsored by the then city administration, who furnished with the project application an outstanding justification for the work to be done. The project was completed on March 14, 1937, after there had been a change in the city administration, and since this change the new administration has taken little or no interest in the use or maintenance of the results of this project's operation.

5. Materials: The records of this administration show that the total expenditure made for trees and shrubs under the operation of this project amounted to \$2,615.50.

The figures quoted in the charge agree with the figures for the similar items shown in the project application, Form 301, as the estimated amounts to be spent on the various items mentioned.

Municipal yacht basin sponsored by the city of New Orleans (p. 8, counsel's report)

1. Expenditures: Expenditures as shown are correct as of August 31, 1939.

2. Description: The description as cited is substantially correct.

3. Private property to be benefited: When it was reported that there was an agreement with the Southern Yacht Club, the matter was checked by the W. P. A. Division of Investigation, and the sponsor was requested to make appropriate adjustments in the matter. The Commission Council of New Orleans then adopted Resolution No. 148, dated November 3, 1939, which is quoted herewith:

"Now, therefore, be it resolved by the Commission Council of the City of New Orleans, That in consideration of the expenditure of Federal funds by the Work Projects Administration on the municipal yacht harbor on Lake Pontchartrain, the city of New Orleans agrees that no special privileges with respect to the use of the facilities shall be granted to any person or organization, including the Southern Yacht Club and its members, in exchange for title to certain property owned by the Southern Yacht Club.

"That any charges made by the city for the use of facilities created by the construction work will be uniformly applied to all persons, including members of the Southern Yacht Club.

"Adopted by the Commission Council of the City of New Orleans, November 3, 1939.

"W. P. BRAND,

"Clerk of Commission Council.

"Approved November 3, 1939:

"ROBERT S. MAESTRI, Mayor."

The proposed agreement was nullified by this resolution. No work was prosecuted on private property by the W. P. A.

4. Excessive charges as sponsor's contributions: The services of trucks used in hauling the fill to be placed in the breakwater of the yacht basin is credited as a sponsor's contribution for the yacht-harbor project.

The cost of loading the trucks with the materials for the fill, which materials are taken from street excavation in the city of New Orleans, is a charge against the city-wide street-paving project, as the removal of this material is necessary for the completion of the work included in the work of this project.

There is no duplication of charges, and each of the projects concerned is charged or credited, as the case may be, with the proper cost of the work accomplished.

Louisiana State University projects sponsored by the State of Louisiana (p. 8, counsel's report)

(This matter was covered in statements made to the committee April 22, 1940. The reports of investigations made by the W. P. A. Division of Investigation were turned over to the United States attorney and grand jury, and the subsequent indictments and convictions were based on the findings of those reports.)

Golf course and clubhouse at Mandeville sponsored by the State of Louisiana (p. 9, counsel's report)

1. Expenditures: The expenditures shown are incorrect for the reason that they include all of the expenditures made in the operation of projects sponsored by the Conservation Commission. Two of these projects have no connection whatever with the golf course. The correct expenditures are as shown below:

Federal funds	\$112,502.74
Sponsor's funds	69,379.20
Total	181,878.94

2. Description: The description given of these projects is substantially correct. However, the statement to the effect that the project serves only as a private club to a few prominent citizens who have large estates adjacent thereto is not true, and the comments on the location fail to take into consideration the fact that the land on which these projects were operated is surrounded within a radius of 10 miles by a thickly settled suburban population, so that the utility of the project would not accrue solely to the benefit of the few prominent citizens living near the park.

3. Ownership of land: The State of Louisiana, 2 years or more ago, purchased from the Great Southern Lumber Co. 5,806.69 acres of land to be perpetuated for use as a State park, to be known as the Tchefuncta State Park. Thereupon the Conservation Commission of the State of Louisiana sponsored a project for the development of a golf course and the construction of a clubhouse and certified on the project proposal forms that the title of the property was vested in the State, and there was no good reason to question the truthfulness of the certifications.

The aforesaid W. P. A. projects represented only a very small part of all improvements contemplated for the benefit of the public. For over 2 years two large Civilian Conservation Corps camps have been operating on the property, performing work in connection with the preservation of wildlife, forestry service, constructing buildings, such as clubhouse and administration building, bathhouses, swimming pools, roads, bridge paths, tennis courts, fishing facilities, barbecue pits, picnic grounds, etc.

On July 25, 1939, the conservation commissioner resigned and the Governor appointed Mr. Ernest Clements as a successor. On August 17, 1939, the W. P. A. of Louisiana was notified by Mr. Clements that the sponsor, the conservation commission of the State of Louisiana, could not, for the time being, continue its contributions, and requested that the projects be temporarily discontinued. However, the commissioner feels that the projects represent useful public improvements and would like to see them completed as soon as possible. He denies making a statement to the contrary, but does not feel obligated to reopen the projects now, due to the fact that, in all probability, the new Governor, who will be inaugurated on May 14, will appoint a successor to the post now held by Mr. Clements.

Operation of W. P. A. in New Orleans, La. (p. 9, counsel's report)

In August 1936 the city of New Orleans created a board known as the development and planning board, which was comprised of five members, headed by Mr. Hampton Reynolds. The development and planning board was made responsible to the mayor for the coordination of all city development and improvement work, including such activities of all departments of the city government regardless of the means by which the work would be accomplished, whether by private city contract, P. W. A., or W. P. A. Neither Mr. Hampton Reynolds nor the other members of the planning board have any authority in connection with the operation and prosecution of W. P. A. projects in the city of New Orleans.

Mrs. J. Gilbert Scheib is employed as a stenographer in the office of Mr. Hampton Reynolds. Several months ago Mr. J. Gilbert Scheib resigned his position of New Orleans W. P. A. district engineer.

Total expenditures in Louisiana (p. 10, counsel's report)

The expenditures as shown are correct as of August 31, 1939.

I yield back the balance of my time.

The CHAIRMAN. The gentleman has consumed 25 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 544, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that in my extension of remarks I may quote briefly from the hearings before the Appropriations Committee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. Mr. Speaker, in the debate on the 1941 relief bill in Committee of the Whole today reference was made by the gentleman from New York [Mr. TABER] and others to the expense account of the Indiana State W. P. A. administrator, Mr. John K. Jennings. I hold no brief for Mr. Jennings, but I hope he will be treated fairly.

In the spirit of fairness, I think Mr. Jennings should have an opportunity to give his explanation of his travel expenses. I ask unanimous consent to insert in the RECORD at this point a letter from Mr. Jennings and his answers to the W. P. A. investigators who were sent into Indiana.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LUDLOW. These documents are as follows:

FEDERAL WORKS AGENCY,
WORK PROJECTS ADMINISTRATION,
April 20, 1940.

Col. F. C. HARRINGTON,
Commissioner, Work Projects Administration,
Washington, D. C.

DEAR COLONEL HARRINGTON: In connection with the item "Travel of State administrator" for Indiana in the counsel's report to the subcommittee of the Committee on Appropriations investigating Work Projects Administration activities, I would like to submit below an explanation of the various items in question.

As to the frequent trips from the Indianapolis, Ind., Work Projects Administration office to Evansville, Ind. (my resident city), the facts are that I did make frequent trips at the expense of the Federal Government—these trips were on official business. The Evansville district has the heaviest Work Projects Administration employment load in the State. I was former Work Projects Administration director in this district, and consequently was intimately familiar with the details of the district program and problems. My acquaintance with the local officials and civic leaders enabled me to expedite matters by dealing with them directly. I so scheduled my work in the State office so that I would be at liberty to devote many of my Saturdays and Sundays to the problems of the Evansville district.

The seven trips to French Lick likewise were on official business and concerned problems such as the proposed large drainage projects for the French Lick area and rebuilding the flooded town of Leavenworth. The conferences pertaining to the town of Leavenworth were held at French Lick because no accommodations were available at Leavenworth. One of my trips did coincide with a political rally, as I desired to contact a number of local and civic leaders in the interest of advancing the Works Progress Administration program.

My trip to Chicago on October 5, 1938, was for the purpose of attending a conference with Works Progress Administration regional officials. I did attend a baseball game in the afternoon.

On May 7, 1937, I went from Indianapolis, Ind., to Louisville, Ky., at no expense to the Government.

On Friday, May 6, 1938, I went from Indianapolis, Ind., to New Albany, Ind., on official business, and was reimbursed accordingly; the following day I went to Louisville and attended the Derby.

On May 4, 1939, I met with the Deputy Commissioner in Louisville to discuss the question of consolidation of district offices in Indiana. While in Louisville I attended the Derby. This trip was made at no expense to the Government.

Yours very truly,

JOHN K. JENNINGS,
State Administrator for Indiana.

The following questions and answers appear in the records of the W. P. A. investigation:

OCTOBER 18, 1939.

MESSRS. GEORGE J. SHILLITO and MATTHEW J. CONNELLY,
Investigators, Subcommittee on W. P. A., Federal Building,
Indianapolis, Ind.

GENTLEMEN: In reply to the several questions pertaining to certain travel incurred during the occupancy of my present position

as State administrator of the Indiana Work Projects Administration, I submit herewith a statement of the questions which you presented accompanied by my answers.

1. Question. It is requested that you furnish explanation of the number of trips from Indianapolis, Ind., to Evansville, Ind., and return, the reason for said trips, and whether all trips were made on official business.

Answer. Relative to trips which I periodically had occasion to make between Indianapolis, Ind., and Evansville, Ind., I should first like to point out several significant facts wherein conditions in the Evansville district differed materially from those in the remaining districts in the State.

Since the inception of the W. P. A. program, up until the time I was appointed State administrator of Indiana, I had occupied the position of director of the Evansville district. By reason of this fact my former position had thoroughly familiarized me with the details of the program in that particular area. Also, as a result of having been a citizen of Evansville for nearly 40 years, during which time I had been actively engaged in both business and public life, a wide acquaintanceship among public officials, prominent citizens, and sponsors of that locality was developed.

It is therefore quite natural that sponsors, labor-organization officials, and others not only preferred to discuss their various problems connected with the program with me, but I was in a more favorable position to effect amicable settlements of these various things than local district W. P. A. officials who were strangers to the citizens, and as a result quite frequently did not enjoy their complete confidence.

From the time of my appointment as State administrator up to the present, circumstances have necessitated the appointment of six different district directors in the Evansville district. In each case the individual directors were not in their positions long enough to familiarize themselves with the details of their office nor to become well enough acquainted to successfully contact various sponsors and public officials.

In addition, upon succeeding to my present position, I entirely reorganized the State office. In accomplishing this it was necessary that the services of three important officials be withdrawn from the Evansville district for use in the reorganization of the State office. These persons previously occupied positions in the district administration, employment, and operations divisions. Their transfer from the district, although strengthening the State office, resulted in appreciably weakening the district staff.

Since the Evansville district carried the largest employment load in the State of Indiana, and as a result of the above-mentioned factors, it was imperative that it have my constant and personal supervision.

2. Question. It is also requested that you explain the high percentage of trips to Evansville as compared with trips to other points in Indiana.

Answer. I believe that my answer to question 1 comprises an adequate explanation of the number of trips which I was compelled to make to the Evansville office.

The reason that the number of trips to this particular district office was greater than those made to other points in Indiana was the result of my own personal acquaintance with conditions in that locality, coupled with the fact that difficulties were being encountered peculiar only to that district.

It is also true that the directors of the other districts had become well established in their positions and therefore were entirely capable of satisfactorily handling their own individual problems. The necessity for numerous trips to the other district offices therefore did not exist.

3. Question. It has been noted in your expense vouchers that several trips to Evansville occurred on week-ends and holidays, on which days you have claimed per diem in lieu of subsistence. In this connection it is requested that you make a statement as to whether the time at Evansville was spent at your own home or whether you purchased public meals and lodging.

Answer. An explanation of the reasons for trips to Evansville occurring on week ends and holidays lies in the fact that from the time I assumed the position as State administrator up until rather recently I was busily engaged in a complete reorganization of the entire State program, which incidentally has resulted in an annual reduction of one-half million dollars in W. P. A. administrative costs in Indiana. The execution of such a major plan required my constant and undivided attention in the State office. In order not to interrupt this procedure and at the same time properly care for matters demanding my attention in the Evansville office the latter were purposely consolidated and scheduled for week ends and holidays. At such times appointments were arranged with sponsors, labor organizations, members of my district staff, or others as occasions arose.

In reply to the second sentence of your question, the major portion of my time while in Evansville was spent in the above-mentioned manner while acting in my official capacity.

The majority of meals at such times were purchased in public places and lodging was obtained in my own home. In this connection I should like to respectfully call your attention to the attached opinion of the Comptroller General of the United States, dated December 31, 1936. As you will note from this document, it has been ruled that a traveler may share his lodging in a hotel with another Government traveler or may even stay at the home of relatives or friends or other Government employees and claim per diem in lieu of subsistence as authorized without committing offense against the Government.

In my official capacity as State administrator I have considered the attached ruling of the Comptroller General as authority for the legality of such travel claims and as a result, both myself and my subordinates have proceeded upon the premise that a Government traveler is entitled to per diem when traveling on official business and when provided with meals, lodging, or both, by another party other than a Federal agency.

From my personal observation there have been very few occasions when the \$5 per day Government allowance has been adequate to meet actual expenditures. In numerous instances hotel bills alone, exclusive of meals, have been in excess of this amount. Doubtless the Comptroller General was aware of this fact and in rendering his opinion felt that per diem claims, such as those outlined above, would on the average compensate the traveler for such conditions without injury to the Government.

4. Question. It has also been noted in your expense vouchers that you made several trips to French Lick, Ind. In this connection it is requested that a statement be made as to whether the trips were on official business, and, if possible, the nature thereof.

Answer. With regard to several trips made to French Lick, Ind., it is obviously impossible to recall the specific occasions for each individual trip aside from stating that they were made for the purpose of performing some official duty in connection with the administration of my office.

On either two or three occasions (I do not recall exactly which) I made trips to French Lick for the purpose of meeting with certain large taxpayers and others of the immediate locality, who were interested in securing W. P. A. assistance in connection with an extremely large and complicated drainage project. The proposed project involved the elimination of flood conditions in the towns of French Lick and West Baden and contemplated the construction of a very large ditch, enlargement of the existing concrete storm-water sewer under that portion of the State highway running through the town of French Lick, and the straightening of certain sections of Lost River.

On another occasion difficulties were being encountered in obtaining quarters for our Orange County area office. At the time permission of the French Lick Hotel management was secured to temporarily provide office space in the hotel, free of charge to the Government, until a more permanent arrangement could be effected.

On another occasion I was called to French Lick at the request of local citizens who were interested in submitting an airport project.

During the time that a project was being developed for rebuilding the flooded town of Leavenworth, and later, after actual construction had proceeded, conferences on questions involved in the work were frequently held at French Lick since no accommodations were available in or around the immediate vicinity of Leavenworth, and French Lick was the nearest point where they were obtainable.

Question 5. It is also requested that a general statement be made as to whether any of the trips made at Government expense were for purposes other than official business.

Answer. In reply to the above question I wish to state that at no time has any reimbursement for travel at Government expense been presented except for purposes of performing official business.

Trusting that the above explanation of these questions will prove sufficient to meet your requirements, I am

Very truly yours,

JOHN K. JENNINGS,
State Administrator.

The following opinion of the Acting Comptroller General is cited as supporting Mr. Jennings' position in reference to this matter.

ACTING COMPTROLLER GENERAL ELLIOTT TO THE ADMINISTRATOR, WORKS
PROGRESS ADMINISTRATION, DECEMBER 31, 1936

There has been received your letter of November 19, 1936, as follows:

"Consideration is respectfully requested of a problem which has arisen in the Works Progress Administration relative to the legal right of an official traveler to claim per diem in lieu of subsistence, when properly authorized, when all or a portion of actual subsistence is furnished the traveler by his family.

"As a specific example, an employee of this organization whose official station is Washington, D. C., was assigned for temporary duty in New York City, where his parents live. While performing duties at this point he stayed with his parents and usually took two meals each day at their home free of charge. The attention of this traveler was later directed to the portion of the jurat on the face of standard Form 1012, which states 'nor were meals or lodgings furnished without charge by a Government agency or with or without charge by a member of my family, by another Government employee, or a member of his family.' Having made this deposition, a portion of which was not true according to facts presented above, the traveler refused to accept the check in payment of his per diem allowance and communicated with this Office relative to his legal right thereto."

Referring to the decision of Comptroller General J. R. McCarl (5 Comp. Gen. 313), assurance was given to the employee that the claiming of per diem allowance and the acceptance of a check therefor is perfectly proper and constitutes no offense in law.

The above decision states:

"When an employee in an authorized travel status on a per diem basis has official duty to perform at the place where his family resides he may be paid the per diem allowances, notwithstanding that he may take his meals at home."

The clear implication from the above ruling is that the payment of per diem in lieu of subsistence to an employee of the Government is not dependent on the necessity of incurring expenses if the employee is in a bona fide travel status. From this premise the logical deduction would be that a traveler may share his lodging in a hotel with another Government traveler, or may even stay at the home of relatives or friends or other Government employees and claim per diem in lieu of subsistence, as authorized, without committing offense against the Government; yet before he may claim his allowance in lieu of subsistence it is necessary for him to execute a jurat upon a statement directly to the contrary.

In view of this apparent conflict, your advice as to the propriety of claiming per diem allowance under the circumstances outlined immediately above is respectfully requested.

The jurat to the standard travel form was worded in the manner indicated in order to require compliance with the edition of the Standardized Government Travel Regulations, approved April 21, 1931, when traveling on an actual expense basis (par. 47 (b)). However, as all official travel of officers and employees of the Government is now on a per diem in lieu of subsistence basis, the Standardized Government Travel Regulations were amended and no deduction of per diem is required except when meals or lodging are furnished without charge by a Government agency. See paragraph 47 (a) of the Standardized Government Travel Regulations, approved January 30, 1934, and December 10, 1935, and note that subparagraph (b), which appeared in the regulations approved April 21, 1931, has been omitted entirely. Accordingly, before an employee makes affidavit on the travel form containing the language indicated in your submission, he is at liberty to cross out that portion of the jurat with reference to meals or lodging furnished by a member of his family or by another Government employee or such employee's family.

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a summary of telegrams which I have received from a number of labor unions in my congressional district.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend the remarks which I made today and to include some extracts and summaries from the hearings and material collected by the investigators; also a letter and telegram which I have received in this connection and a brief editorial from the New York Times.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CRAWFORD] may have permission to extend the remarks which he made this afternoon and to include excerpts from reports and Government documents to which he referred.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds to make a statement.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, yesterday I was called from the floor to my office. Due to failure of the signal bells I missed roll call No. 116 on House Resolution 443. Had I been present, I would have voted "yea."

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address which I delivered recently over the Columbia network.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole today and to include therein certain excerpts from the hearings.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members who spoke on the relief bill today and who will speak on the relief bill tomorrow may have 5 legislative days in which to extend their own remarks on the bill.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. CANNON of Missouri. Mr. Speaker, at the request of the gentleman from Kentucky [Mr. MAY], chairman of the Committee on Military Affairs, I ask unanimous consent that the Committee on Military Affairs may have permission to sit during the sessions of the House for the remainder of the week.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1036. An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota; and

S. 1384. An act for the relief of Egon Karl Freiherr von Mauchenheim and Margarete von Mauchenheim.

ADJOURNMENT

Mr. CANNON of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Friday, May 17, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

There will be continued before subcommittee No. IV of the Committee on the Judiciary on Friday, May 17, 1940, at 10 a. m., a hearing on the bill (H. R. 7534) to amend an act to prevent pernicious political activity (to forbid the requirement that poll taxes be paid as a prerequisite for voting at certain elections). The hearing will be held in the Judiciary Committee room, 346 House Office Building.

There will be held before subcommittee No. IV of the Committee on the Judiciary a hearing on H. R. 8963, to amend section 40 of the United States Employees' Compensation Act (to include chiropractic practitioners). The hearing will be held at 10 a. m., Wednesday, May 22, 1940, in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

There will be a meeting of the Committee on Merchant Marine and Fisheries on Tuesday, May 21, 1940, at 10 a. m., at which time the committee will consider the subject of maritime unemployment insurance.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce on Friday, May 17, 1940, at 10 a. m.

Business to be considered: To continue hearings on S. 280 and H. R. 145—motion pictures. All statements favoring the bill will be heard first. All statements opposing the bill will follow.

There will be a meeting of the subcommittee of the Committee on Interstate and Foreign Commerce on Friday, May 17, 1940, at 1 p. m., to resume hearings on H. R. 7466 and H. R. 8242.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization on Wednesday, May 22, 1940, at 10:30 a. m., for the consideration of H. R. 9774—To deport aliens. Also private bills.

EXECUTIVE COMMUNICATIONS, ETC.

1638. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting a draft of a proposed bill to further amend section 13a of the National Defense Act, so as to authorize officers detailed for training or duty as aircraft observers to be so rated, and for other purposes, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2190. Report on the disposition of records in the Federal Security Agency, Social Security Board. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2191. Report on the disposition of records in the Federal Works Agency, Work Projects Administration. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2192. Report on the disposition of records by the clerk, United States District Court for the Eastern District of Oklahoma, with the approval of the administrative office of the United States courts. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2193. Report on the disposition of records by the United States marshal for the eastern district of Wisconsin, with the approval of the Department of Justice. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2194. Report on the disposition of records in the Federal Trade Commission. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2195. Report on the disposition of records in the Department of War. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2196. Report on the disposition of records in the United States Civil Service Commission. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 2197. Report on the disposition of records in the Department of Commerce. Ordered to be printed.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 9565. A bill to prohibit the exportation of tobacco seed and plants, except for experimental purposes; without amendment (Rept. No. 2198). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 9702. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide that the marketing-quota provisions with respect to tobacco shall be applicable to Connecticut Valley shade-grown tobacco; without amendment (Rept. No. 2199). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 9700. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; without amendment (Rept. No. 2201). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. VAN ZANDT: Committee on Immigration and Naturalization. H. R. 9766. A bill to authorize the deportation of Harry Renton Bridges; without amendment (Rept. No. 2200). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 9787. A bill relating to the traveling and subsistence expenses of judges of the Court of Claims, the Court of Customs and Patent Appeals, and the United States Customs Court; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 9788. A bill to repeal obsolete statutes and to improve the Code of Laws of the District of Columbia; to the Committee on Revision of the Laws.

By Mr. MAY:

H. R. 9789. A bill to further provide for and promote the national defense, and for other purposes; to the Committee on Military Affairs.

By Mr. SMITH of Washington:

H. R. 9790. A bill to provide for exercising the right with respect to red cedar shingles reserved in the trade agreement concluded November 17, 1938, between the United States of America and Canada, and for other purposes; to the Committee on Ways and Means.

By Mr. McGEHEE:

H. R. 9791. A bill to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

By Mr. NICHOLS:

H. R. 9797. A bill to provide for the construction, maintenance, and operation of a national stadium, parade field, swimming pools, and other recreational facilities to be located in the District of Columbia and for the creation of a corporation for effectuating the purposes of the act, and for other purposes; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES:

H. R. 9792. A bill for the relief of Mrs. James Griffith; to the Committee on the Civil Service.

By Mr. CULKIN:

H. R. 9793. A bill for the relief of William C. Griesmyer; to the Committee on Claims.

By Mr. KRAMER:

H. R. 9794. A bill for the relief of Kazue Oda Takahashi; to the Committee on Immigration and Naturalization.

By Mr. MAGNUSON:

H. R. 9795. A bill for the relief of William Merrion Little; to the Committee on Military Affairs.

By Mr. POAGE:

H. R. 9796. A bill for the relief of Abigh E. Norris; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8283. By Mr. FULMER: Concurrent resolution submitted by James E. Hunter, Jr., clerk, house of representatives, of Columbia, S. C., requesting the passage of a bill in Congress authorizing the coinage of 50-cent pieces in commemoration of the arrival of the Marquis de Lafayette near Georgetown, S. C., on June 14, 1777, and known as House bill 8941; to the Committee on Coinage, Weights, and Measures.

8284. By Mr. GOSSETT: Petition of the Church of Christ of Electra, Tex., attested by the signatures of five elders and seven deacons of the congregation of said church, expressing conscientious objections to compulsory military service, and asking same treatment as that accorded the Quakers or Society of Friends in the event of war; to the Committee on Military Affairs.

8285. By Mr. HARTER of New York: Petition of the Niagara County Volunteer Firemen's Association, Inc., opposing the Saint Lawrence Waterway project; to the Committee on Foreign Affairs.

8286. By Mr. JOHNS: Petition of Anton Bretl and 38 other citizens of Forestville and Sawyer, Wis., soliciting support of the Wheeler-Jones-La Follette bill, concerning rate of interest on Federal farm loans; to the Committee on Agriculture.

8287. By Mr. MICHAEL J. KENNEDY: Petition of the Electrical Square Club, Inc., No. 420, of Greater New York, opposing procedural conduct of Department of Justice in prosecuting certain labor unions; to the Committee on Labor.

8288. Also, petition of the Building and Trades Department of the American Federation of Labor, urging that \$50,000,000 of relief funds be earmarked for equal division between flood-control and river-harbor work; to the Committee on Flood Control.

8289. Also, petition of the National Conference of Women on Unemployment, Chelsea committee, urging enactment of the American Works Standards and Assistance Act; to the Committee on Labor.

8290. Also, petition of the National Association of Engine and Boat Manufacturers, Inc., opposing House bill 9477, which would place certain motorboats under steamboat-inspection laws; to the Committee on Merchant Marine and Fisheries.

8291. By Mr. ROMJUE: Petition of the Southwest Aviation Conference in session at Tulsa, Okla., requesting the Congress of the United States and Federal agencies to construct all new National Advisory Committee for Aeronautics and other aeronautical research laboratories in that interior portion in the United States which offers the greatest strategic protection; and a resolution approving the principles of legislation embraced in Senate bill 3620 and House bill 9049 and urging its adoption in this Congress; this proposed legislation provides for Federal aid in the construction and maintenance of a nationally integrated system of airports; to the Committee on Interstate and Foreign Commerce.

8292. By the SPEAKER: Petition of the International Union United Automobile Workers of America, Congress of Industrial Organizations, South Bend, Ind., petitioning consideration of their resolution with reference to United States Housing Authority program; to the Committee on Banking and Currency.

8293. Also, petition of the Women's International League for Peace and Freedom, Maryland Branch, Baltimore, petitioning consideration of their resolution with reference to the neutrality law; to the Committee on Foreign Affairs.

8294. Also, petition of Dr. J. W. Dixon, Golconda, Ill., and others, petitioning consideration of their resolution with reference to flood waters; to the Committee on Flood Control.

8295. Also, petition of the United Electrical, Radio, and Machine Workers of America, Brooklyn, N. Y., petitioning consideration of their resolution with reference to the National Labor Relations Act; to the Committee on Labor.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 17, 1940

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, the source of our life and the guide of these, our pilgrim days, we are the creatures of Thy power and the beneficiaries of Thy bounty. As Thou hast made us rich in blessing, so make us rich in humility and gratitude.

We pray that Thou wilt keep us from pride when we are prosperous, from despair when we are in want, and from bitterness when we are in distress. When earthly lights are extinguished by adversity and affliction, wilt Thou show us the eternal stars and lift upon us the light of Thy countenance. May we daily be enabled to manifest unto our fellow men faces made glad with a vision of the Lord God omnipotent and hearts made strong and courageous by His glorious companionship.

Hear us in our prayer of intercession for our struggling and suffering humanity. Thou who art the support of the